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NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

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Commentary Hails U.S. Historical Achievements

AU1107110794 Tirana ZERI I POPULLIT in Albanian 5 Jul 94 p 4

[Tulzim Cota commentary: " 'The Spirit of 1776' Is Immortal"]

[Text] Every 4th of July the American people congratulate themselves and others on their national holiday. On 4 July 1776, the free inhabitants of the new continent proclaimed the independence of the United States of America. Since that day, the American people recall "the spirit of 76," and have been inspired by it. In its more than 200-year history, the American nation has given its country, and humanity at large, most enlightened figures in the field of culture, science, economy, politics, arts, and above all, in the field of defending human rights and freedoms. Names like George Washington and Jefferson have remained brilliant examples of the struggle of the American people and humanity at large for freedom and fundamental human rights. The Human Rights Charter was conceived precisely in the United States. Following the Civil War, the American nation, little by little, became one of the motors of the world's development, rising in the aftermath of World War II to become the world's greatest economic, political, military, cultural, and scientific power.

Spearheading the economic, political and social competition after the war, the practical spirit of the United States triumphed in the struggle between the two world social and economic systems. Winning the war of the end of this century, it became a constant inspiration to the peoples of Eastern Europe, including Albania, in their efforts to shake off their totalitarian regimes.

The American people provided an outstanding contribution and example of sublime self-devotion during World War II, fighting to destroy one of the cruelest dictatorships mankind had ever known—the fascist dictatorship. A month ago, the 50th anniversary of the landing of over 1 million U.S. troops in Normandy was celebrated—the greatest landing in history, which accelerated the collapse of the fascist dictatorship. The U.S. martyrs who laid down their lives in European lands are an immortal token of the American people's love for freedom, democracy, basic human rights, civilization, and a testimony of their humane spirit.

With its contribution to the development of humanity in various fields, the American nation has, at the end of this century, virtually become the leader of the civilized world, an inspiration for democratic developments and social prosperity. The American nation has produced a great number of Nobel Prize winners in various fields of culture and science, particularly the latter. It is enough to mention the name of "Hollywood" to realize that today American culture is not the property of the American people alone. That culture and the practical U.S. spirit seen in the Peace Corps, which is made up of young people working and living in the four corners of the globe, is gradually becoming a common asset of all the other nations. Naturally, the civilizing role played in this respect by these young people of the Peace Corps should be mentioned.

Besides the economic field, the American people's contribution since the end of the Second World War to safeguarding peace and security in Europe and throughout the world is beyond dispute. At the head of NATO the United States has often undertaken peace keeping actions in favor of peace and security. In various regional conflicts at the end of this century it is the United States that in one way or another has succeeded in bringing irreconcilable foes to the negotiating table, persuading them to shake hands, sit down to negotiate, and resolve their disputes and disagreements in a peaceful and democratic way. Let us remember the Camp David Agreement of 15 years ago, which was ridiculed by Arab and other political forces in the world. However, following the Camp David Agreement, the Arab world began enviously to see the fruits of this agreement, and then the Israeli-PLO negotiations came, something unimaginable before, which were the fruit of U.S. diplomacy. In the service of peace and democracy, the United States did not hesitate to show the force of arms of democracy to dictators and usurpers of freedom of small nations and peoples. We remember how the United States placed itself at the head of a world coalition in the Middle East, teaching a useful lesson to Sadam Huseyn, at the same time defending Kuwait's freedom and independence, and protecting the Kurds from genocide and annihilation.

The U.S. contribution is becoming ever more evident in the agitated Balkan whirlpool. It was President Clinton's direct commitment, following the massacre of Sarajevo, which led two of the warring sides—Croatians and Muslims—to the agreement on federation or confederation. NATO's ultimatums, enforced by U.S. aviation in NATO, made it possible to restrain Serbian aggression in the Bosnian conflict to some extent. It is the symbolic presence of U.S. troops that frustrates the Serbian aggressors in their endeavors to spread the conflict southwards and engulf the Balkans in the flames of war. The U.S. contribution to peace and security in Europe is closely related to President Clinton's idea of Partnership for Peace, which most of the European countries are adhering to, including Albania. This Partnership for Peace is gradually being transformed into an instrument for peace and security in Europe and beyond.

The American people's contribution in the field of human civilization, occupying a considerable place, along with other big and small nations' contribution, is essential. The specific role and responsibilities of the United States are already publicly recognized and accepted. Today, it has the role of world leadership. The Albanians, realizing and recognizing the American people's contribution to the democratic processes all over Eastern Europe, including Albania, rejoice at this national holiday of the American people, and they strive

in their own way to benefit and be inspired by the "spirit of 1776" for the progress and prosperity of their own country.

Authorities' Corruption Said Scaring Investors

AU1107111394 Tirana ALEANCA in Albanian 5 Jul 94 p 3

[Peshkepia Ridvan commentary: "Investors Come and ....Go"]

[Text] The polarization of our politics, tension, endless discussions, and accusations and counter accusations that have gripped our life could have been just a memory of a rapidly completed transition period if the dreams of our economists and promises of our politicians, foreign investment, had become a reality in Albania.

In the first hours of the collapse of autocracy investors flocked to this country. They came to build something in a country where the citizens were hastily destroying everything. In the general turmoil everyday objects that were pawned (wallets, luggage, glasses, and car mirrors) received commonplace solutions and left.... to come back again at a time when there was what we called "democracy," but they called simply "law and order."

However, coming back they found O tempora O mores [O the times! O the manners!], which means that they found a state with more consolidated structures, in fact with a much better law for the protection of foreign investment. That, however, is not enough.

Upon their return they came up against a regulation of the Ministry of Public Law and Order that grants policemen 10 percent of the daily fines they impose. In this respect the investors were not received with the good will that should be shown toward people who come to help but as donors for the miserable police family budgets. Their travels were carefully accompanied by the police's modern communications systems, often donated by their own states. It happened that they had to pay many times for a document that the police themselves had failed to provide at the border.

Their plight continued in the offices of certain administrators who, shut up in the four walls of their offices with the threat of being swept away by the "reform," did not see any other way out in life than to milk the poor investors who had ventured to set foot on this land. No doubt his indispensable signature must secure a living for several generations after him.

Then the "interest of the state," "the interests of the workers" and, frequently, the relations of our so-called democratic government with the states they were coming from had a big influence on the startup, impeding or immediate opening-closing of their activity, while any expression of discontent could be enough to become undesirable for "our economy."

Of course, the war in the Balkans, the economic problems of the European countries, and the lack of structures and infrastructures here have an impact on the alienation or the absence of investors, but the greatest problems lie with our own mistakes.

China, that paradise of foreign investors, with 13 billion dollars entering the country every year, has understood very well how to order its administration to show the greatest respect toward everybody coming to China as a foreign investor. There he is seen as friend of the Chinese people, whereas here he is a victim.

The hostile policy pursued towards prodemocratic foreign investors has scared off even those who are willing to start up businesses today. This policy is considered by them neither as democratic nor as socialist but as Albanian policy. They do not feel themselves protected against the risks that a natural shift of parties in power could bring them.

Foreign investors are often forcibly confronted with the generally unpleasant fact of coownership with the Albanian state. This itself brings a lot of concern, problems, and disagreements, which in general are of course solved in favor of the latter. More often than not, the sublime term "interests of the Albanian state" willingly or unwillingly becomes the cause of harming these interests, which could be very easily protected if the cooperation were started by creating safety brakes for these foreign investors.

Being for the full liberalization of the economy, the Aleanca Demokartike [Democratic Alliance Party] proposes further cuts in bureaucratic procedures and, what is more important, strict control over the administration. We propose that it concentrate on the profit and only the profit that our economy will have from these investments and not the short-term or long-term profits of the decisionmakers in power. Foreign investment is not and cannot become a laurel wreath on the heads of the ruling decisionmakers, but is an achievement of us all.

Defense Minister Views Turkish Language Issue

AU1207091194 Sofia NOVINI 5 in Bulgarian 2 Jul 94 p 8

[Interview with Defense Minister Valentin Aleksandrov by Simeon Danevski; place and date not given: "Orders in Army Can Be Given Only in Bulgarian"]

[Text] [Danevski] Minister, did you expect such a clash at the discussion of the Defense and Armed Forces Bill?

[Aleksandrov] Yes, to a certain degree. I expected the Movement for Rights and Freedoms [DPS] to demand something that would be very difficult if not totally impossible to satisfy.

[Danevski] What is your forecast?

[Aleksandrov] This case has been blown out of all proportion in vain. This is a purely political move that will blow over quickly. At least this is how I see it. There simply is no issue to debate: The Bulgarian language is not only the official language in the Army, but also the obligatory language for issuing orders. However, if two soldiers with Turkish awareness decide to smoke a cigarette together and talk privately, I cannot see who could ban them from speaking in Turkish.

[Danevski] However, the way the things are developing, one day we could see things that today would horrify us, for example, a corps commander called Ismail Cherkez. How do you see this?

[Aleksandrov] I do not know, I have not thought about this. There are already three Bulgarian citizens with Turkish awareness in the military school and the Officer School. One of them will certainly climb up the officer ranks. I cannot and do not want to guess how far he will go.

[Danevski] Do you support a hired army?

[Aleksandrov] Categorically—no! I do not think that there will ever be a hired army in Bulgaria, not now, and not in 100 years. It is the duty of every Bulgarian to serve in the Army in the name of the motherland. Those who for religious reasons or bans cannot serve in the regular troops, can serve in the Construction or Transportation Troops.

[Danevski] However, the same political force—the DPS—wants to eliminate those troops, especially the Construction Troops.

[Aleksandrov] This will also never happen. Those troops have done so much for Bulgaria, and as long as I am defense minister, there will be Construction Troops. I do not think that the person who replaces me one day, will act differently.

[Danevski] Nevertheless, it has been said that only boys with a very low level of education serve in those troops.

[Aleksandrov] There is a grain of truth in this, But it is not the Bulgarian Army or the law that should be blamed for this. It is impossible to allow illiterate people, or people with a very low standard of education to serve in the Missile Troops, the Air Force, or anywhere else in the regular troops.

[Danevski] What is your attitude to the church and its involvement in the life of the Bulgarian Army?

[Aleksandrov] My attitude is positive, but the question should be divided into two parts. I disagree with the active participation of the Bulgarian Church in army life, that is, having churches and priests in the Army. This would separate the officers and soldiers even more. However, outside the barracks no one can prevent the soldiers from professing their religion, as long as this does not contradict the Bulgarian Constitution. The Bulgarian Army observes various religious holidays, and St. George's Day is its official holiday. All this speaks of the positive attitude of the Army leadership toward the Bulgarian Orthodox Church.

[Danevski] Is there tension between you, as minister of defense, and the General Staff?

[Aleksandrov] Those are sheer insinuations. Sometimes we argue very much with [General Staff chief] General Petrov, and sometimes those disputes are sharp, but this does not mean that there is tension and misunderstanding in our relations. However, sometimes a sharp word is interpreted as a scandal or a conflict, while it is not so.

[Danevski] So, can we be calm regarding the Bulgarian Army?

[Aleksandrov] Of course, there should not be any doubt of this. Our Army is very well trained. It is experiencing supply difficulties at present, but this is not a reason to doubt its combat ability.

Zhelev Criticized for Vetoing Judiciary Bill

AU1107093194 Sofia DUMA in Bulgarian 5 Jul 94 p 8

[Commentary by Vasil Tonchev: "The President Made a Bad Choice"]

[Text] President Zhelyu Zhelev returned the Judiciary Bill to the National Assembly for a new discussion. It was expected, one that the person who personifies our nation with his characteristic sense of national pride and dignity, preferred to report first to a citizen of a foreign country.

First of all, the president's decree blocked a reform in the judiciary, which had just begun. (Perhaps His Excellence decided that a purge and a reform are actually the same phenomenon). The Constitution underlines that the bills related to the activities of the three-instance judiciary should be ready by 12 July 1992. This means that the Bills on the Judiciary, on the Supreme Court, and on the Civil Procedure Code should have already been adopted

when the Union of Democratic Forces [SDS] was in power. However, the president of the dark blue ballot [SDS] forgot the Constitution, and his statements against crime were full of trite phrases that invoked "totalitarianism" and "democracy" and blended in with the choir of the demagogues.

According to the Constitution, the Bulgarian citizens have the right to a three-instance court procedure in anything related to their penal and civil suits. However, having the aura of a defender of the law, the president has already tolerated the anticonstitutional activity of the judicial organs for two years, and is now even extending it. The fact that Zhelyu Zhelev is the head of state, rather than... Todor Zhivkov, does not help the Bulgarians to obtain the things promised by some people before the president assumed his post.

On 19 December 1991, in his appeal to the Bulgarian voters, Dr. Zhelyu Zhelev, presidential candidate, explicitly said: "I assume the commitment of utilizing all the prerogatives given to me by the Constitution to strengthen the public order and law in the country. I shall do everything possible so that the court the organs of the prosecution, the investigation, and the police assume their responsibility in the struggle against crime, corruption, speculation, and anarchy."

In the last few days, the "real democrats" called the Judiciary Bill "anti-Tatarchev" and "anti-Grigorov." With his statement that the bill contains many positive factors regarding the "third" power, the president refuted this. However, by returning the bill to the National Assembly, he revealed the truth, namely, his readiness to protect by all means the representatives of the SDS in the judiciary—Ivan Grigorov and Ivan Tatarchev—and the entire gang of "loyal" and "devoted" employees who know who their benefactors are.

By doing this, the president has assumed another responsibility, namely, the fact that he has violated his earlier commitment by protecting people who were recognized internationally as incompetent and officials who are stuck in a swamp of crimes and who turned the protection of legality into the symbol of stupidity.

KONTINENT Criticism

AU1207084994 Sofia KONTINENT in Bulgarian 9-10 Jul 94 p 4

[Text] President Zhelev's visit to Turkey is undoubtedly a success in developing bilateral relations. The signing of the five agreements will give an impetus to the development of economic relations. However, it remains to be seen how the problem with the Bulgarian property in Turkey will be resolved. After all, Turkish President Suleyman Demirel said that this is a matter of political will, and that Turkey has such a will.

It appears that the Bulgarian president was not able to understand that it is undesirable to discuss the internal issue of any country at a meeting with foreigners. Zhelev's "theoretical" hints regarding political life in Bulgaria should have been left for the Bulgarian public. This would have not affected the honorary degree ceremony in any way.

According to the TURKISH DAILY NEWS President Zhelev declared that Bulgaria will never allow the Kurdish Workers' Party to send representatives to Bulgaria. This is self-evident—we must not allow our territory to be used for hostile acts against any state. However, publicly taking a stand on this issue and at such a level, is extremely undesirable and could have negative consequences.

Prime Minister Discusses Domestic Politics

AU1107140994 Prague LIDOVE NOVINY in Czech 8 Jul 94 pp 1, 3

[Interview with Czech Prime Minister Vaclav Klaus by Eva Martinkova; place and date not given: "I Do Not Think That Every Visit Must Be Coordinated"]

[Text] [Martinkova] The visit by the Iraqi foreign minister [Muhammad Sa'id Kazim al-Sahhaf] can be interpreted as another proof of the dissentient foreign policy of the Czech representation. Is it really impossible to find a way to prevent different reactions by the Castle [seat of the president] and Cernin [Palace, the seat of the Foreign Ministry), which may confuse the public?

[Klaus] I am glad that you refer to the Castle and Cernin and leave me out because this time it really was not a duel between the government and the Castle. The visit by the Iraqi foreign minister was more or less an ordinary working visit, a contact between foreign ministers, and I must say that the government has thereby neither pursued any extraordinary interests nor dealt with it in depth. I believe that the difference in reactions has not been that great.

Of course, there is the question of whether the visit by any foreign minister must be discussed between the Cernin Palace and the Castle. I do not think so.

[Martinkova] KDU-CSL [Christian and Democratic Union-Czechoslovak People's Party] Chairman Josef Lux said that he sent you a letter in which he proposed a date for an account-taking coalition meeting. Have you accepted the date?

[Klaus] I believe it is a pretend game on the part of Mr. Lux. We see each other several times every week and discuss which day of the complex coming week we could choose as the possible date for the meeting. We agreed that Thursday seems to be the most feasible day. He then theatrically appears on the television and announces that he is sending me a letter with specific proposals. I am at a loss as to how one should respond to such things. I have not received any letter from Mr. Lux, and I keep repeating that I am simply at a loss as how to respond to him announcing something on television first and then, maybe after several days, the letter arriving. The KDU-CSL indicated about a month ago that it is preparing its own material for the account-taking of the coalition, which we will be glad to study, and let it become a part of the documentation for this coalition meeting. Nevertheless, I would differentiate strictly. It was announced a month ago that the material is being prepared, and it comes out that just a few days before the meeting no such material exists. Hence, I am not quite certain regarding the topic of the meeting.

[Martinkova] When the decision was being made at the time of the partition of the state on state citizenship, did anyone consider the possibility that tens of thousands of Romanies would roam here without citizenship or a residence permit?

[Klaus] I do not know whether anyone thought of it, but I believe that the deadline we set for everybody to arrange his or her fundamental civic allegiance and residence was reasonable. A term had to be imposed, and it would not have solved anything if it were two or three times as long. It is a fact that a certain group of the population exists here, which has had problems with these things for decades or even centuries. I was not informed about the details, however, and therefore cannot say whether these figures are ascertained objectively or are just guesses. Thus, I cannot comment and do not believe that the government should interfere in this problem.

[Martinkova] When and where do you plan to spend your holiday?

[Klaus] The government has a holiday in the last two weeks of July. We are a family truly in love with mountains. We did not go last year, so this year we will go for a week to a completely god-forsaken little Austrian village, where they do not have a fax or even a hotel. We will stay in something that is called "Zimmer frei" [German for room to let], and we will put on hiking boots and hike in the mountains for a week. We will also spend a week at a cabin here in southern Bohemia.

Controversy Over Union Chairman's Lustration

94CH0301C Prague LIDOVE NOVINY in Czech 4 Jun 94 p 3

[Article by em: "The Positive Lustration of Falbr Is Beginning To Bother Some Trade Union Members"]

[Text] Prague (em)—The lustration of Richard Falbr, chairman of the Czech-Moravian Chamber of Trade Union Associations [CMKOS], is beginning to be referred to, as was expected, by some political entities on the scene as well as those from the ranks of the trade unions. According to the Confederation of Political Prisoners, the trade unionists should invite their chairman to defend his honor before the courts by accusing those who had charged him as an agent. "It is with horror that we realize how lightly this matter is viewed by trade union representatives," states the proclamation.

Rudolf Baranek, chairman of the Association of Businessmen in the Czech Republic, who, according to a statement made by the Czech-Moravian Chamber of Trade Union Associations, does not permit trade union activities to be conducted in his several small operating facilities, stated with regard to Falbr that the trade union associations are weakening themselves as long as they are headed by an individual with a lustration finding hanging over him.

Leaders of the trade union association of workers in the mining, geology, and oil industry from northern Moravia this week asked Falbr to step aside. The tension between them and the new chairman was already palpable at the April trade union congress.

Debt Repayment Could Increase Exports to Russia

94CH0312A Prague LIDOVE NOVINY (supplement) in Czech 1 Jun 94 p 1

[Article by ctk, pin: "Russia Will Pay Its Debt to the Czech Republic"]

[Text] Prague (ctk, pin)—Russia will repay the Czech Republic its debt of $3.5 billion by the end of 2003. The agreement on paying off outstanding claims was initialed by both sides on Monday.

Deputy Finance Minister Vladimir Rudlovcak stated that on Monday night he had reached agreement with Andrey Vavilov, Russian deputy minister of finance. He noted that the agreement on debt repayment should be signed, after being discussed by the Czech Government, in approximately three weeks. On the Russian side, the initialed treaty is not subject to further approval.

According to Yuriy Chingovatov, a counselor at the Russian Federation Embassy, conclusion of the agreement covering debt repayment will remove the psychological barrier for Czech enterprises and will contribute to the growth of their exports to Russian markets. Chingovatov stressed that it fulfilled everything that Prime Minister Vaclav Klaus and Russia's Viktor Chernomyrdin had agreed upon in Moscow in March.

In terms of the principal portion of the debt—approximately $1.8 billion—both sides agreed to defer repayment to 1999, in accordance with the principles of the Paris Club of Creditor Nations, stipulating that after that time the debt will be paid in semiannual increments over a period of five years until 2003. The amount is the balance based on commercial exchanges from 1990 ($1.53 billion) and 1991 ($84 million) and interest in the amount of $230 million on a government loan of $1.3 billion. Paying off the $1.3 billion government loan, which forms the second large portion, is supposed to begin, according to the agreement, in 1996.

V. Rudlovcak stated that the Russian side intends to pay off debts due to Czech enterprises amounting to $330 million plus another $32 million in technical credits based on commercial exchanges for 1991 in goods during 1994-95. However, he noted that while the Czech Republic is interested in deliveries of oil and natural gas, the Russian side resists that. But it did obligate itself "in the nearest future" to pay off $50 million of the amount in goods, he stated.

In the event that this $362 million debt was not paid off by the end of 1995 through deliveries of goods, both sides agreed to the "prompt" repayment of the unrepaid remainder in 1996-97 by annual payments of $70 million.

V. Rudlovcak admitted the possibility of capitalizing a portion of the claims. But he added that for the time being there had been no specific agreement concluded. In his words, capitalization of claims would lead to desirable and more intensive contacts between Russian and Czech enterprises.

Discrepancy in Arms Exports Figures Explained

AU1107154794 Prague LIDOVE NOVINY in Czech 8 Jul 94 p 16

[Article by Jan Gazdik: "The Testimony of the Swedish Figures"]

[Text] Contrary to what is said in an analysis in June by the Stockholm International Peace Research Institute (SIPRI), the Czech Republic is not one of the major arms exporters.

Stanislav Fritzl, deputy director of the License Administration Department at the Industry and Trade Ministry, told this to a LIDOVE NOVINY correspondent. The Swedish document, a commentary on which the Czech ministry is about to complete, claims that the Czech Republic exported arms worth almost $2.5 billion last year (ranked sixth in the world). "On the other hand, we are not completely insignificant exporters," Fritzl admits. According to him, we sold arms worth $167 million last year. The SIPRI data allegedly correspond to the flourishing Czechoslovak arms trade of 1986.

What is the reason for such a substantial discrepancy in the figures? "Consultations between ourselves and the Swedes indicate that they use different methods from ours," the deputy director explains. "Until 1993, they include the figures contained in the contract for aircraft exports to Thailand (36) and Egypt (48), although last year we in fact exported only eight aircraft to Thailand and 25 to Egypt." Fritzl refuses to comment on SIPRI methods. The analysis allegedly expresses long-term trends rather than the present actual volume of exports. Other arms exporters are affected in the same way. One can assume that the aircraft the Czech Republic will export this year and next will again not be included in the SIPRI data. The difference between the Swedish and the Czech figures could also have come from different estimates of the aircraft prices. The experts believe that SIPRI applies world standard prices to the Czech aircraft (i.e., double the actual contract price). According to LIDOVE NOVINY's sources, the prices of L-39 MS and its modified version are 50-percent less than the aircraft of Western provenance and comparable quality.

It is somewhat reminiscent of 1992, when Czechoslovakia still exported tanks to Syria and disclosed the value of exports as $150 million, while the SIPRI data reported only $100 million because the Swedes had apparently included a part of the contract in the previous year.

These comparisons, according to Fritzl, actually account for the differences between the SIPRI data and the figures given by the Czech Industry and Trade Ministry.

Bank Problems To Speed New Banking Laws

94CH0312B Prague HOSPODARSKE NOVINY in Czech 1 Jun 94 p 1

[Article by rum, pra: "Current Problems Suffered by Banks Have Resulted in the Accelerated Preparation of an Amendment to the Banking Law"]

[Text] Prague (rum, pra)—In the event the bank is not capable of meeting its obligations, the maximum amount of compensation for depositors being contemplated is 100,000 korunas [Kc] per depositor with one bank. That is the language the government should be discussing today regarding the proposed amendment of the banking law. At the same time, it is anticipated that the government proposal will be submitted for discussion in the parliament with a shortened deadline.

The amendment of the banking law anticipates creation of a fund for deposit insurance, to which the banks would be obligated to contribute one-half a percentage point of the volume of deposits by private individuals in koruna accounts deposited at the bank as of the last day of the year. In the justification report, it is said that the existing system, where the state guarantees deposits at certain banks, is unacceptable to the market economy. The new method of guaranteeing, however, will fulfill its mission only if the depositor is known. Because insurance for deposits is not to apply, for example, to bearer passbooks, of which there is a majority, it is anticipated that the passbooks will be discontinued in subsequent years. The proposed law currently figures on an 80-percent replacement of deposits up to Kc100,000. Payment from the fund is to take place generally in a situation where all attempts to revitalize the bank have failed. The reason for payment, according to the law, is not a freezing of deposits within the framework of forced administration, as long as the status does not last for more than 90 days.

The purpose of the submitted proposal is also to be the strengthening of the authorities vested in the oversight facility of the Czech National Bank [CNB]. A significant change, in the event shortcomings at the bank are discovered, is the introduction of measures aimed at rectification. They also include the possibility that, at the initiative of the CNB, the basic wealth of a bank could be lowered. For this reason, the activities of the forced administrator, who should be assuming the majority of the authorities voted by a general assembly meeting, have been newly modified. The proposal also stipulates the maximum time for the forced administration to be enforced and sets it at one year.

Prague Police Plan Military Discipline

94CH0301D Prague LIDOVE NOVINY in Czech 4 Jun 94 p 12

[Article by gag: "The Police of Prague Intend To Return to the Traditions of Military Discipline"]

[Text] Prague (gag)—The security situation in Prague is calming down, it was agreed by the leadership of the Prague police force and by the Office of Investigations. Specifically, for example, the number of apartment break-ins is declining and the number of auto thefts is down, which had led to the creation of a special police team. In February the team was successful in finding 93 stolen automobiles, 36 of which were apprehended complete with perpetrators. Currently, an organized group responsible for the theft of 39 vehicles valued at more than 13 million korunas [Kc] is under investigation.

Until recently, the greatest problems for the police of Prague included salaries, material support, and housing for policemen. Some time ago, however, they received a bonus of Kc2,000 (those who serve on the streets earn a net salary of an average of Kc6,600). Nevertheless, housing problems persist. A housing complex that is still under construction and was promised to the police by Mayor of Prague Jan Koukal, in exchange for another project, was sold off by the Prague city representative. According to Miroslav Bornik, director of the Prague Police Directorate, he is short 400 men on the streets of Prague for which he could pay. But he would need an additional 1,100 men. "The police in Ostrava are in a much better situation where, in contrast to Prague, there is substantial unemployment," says Bornik. "Not even the salaries for the local police—even despite their increases—are dazzling." Stanislav Novotny, head of the Czech police, believes that the success of police work is significantly limited by the willingness of the citizenry to collaborate with lawmen. Because of greater efficiency and discipline, he alleges that it is necessary to return to military traditions. In response to a question by LIDOVE NOVINY about a return to those traditions, which was brought about by a slackening of police discipline, he said that after November too much democracy crept into the leadership of the police. "The police is a mechanism capable of action only as a collective in which someone commands," he said. On the subject of the reason for the stagnation of criminality, Novotny told us that 55 percent of all criminal activity in the Czech Republic is engaged in by recidivists, who are gradually ending up behind bars.

Kukan Calls Zhirinovskiy's Statements Dangerous

AU1107121394 Bratislava PRAVDA in Slovak 7 Jul 94 p 2

[TA SR report: "Dangerous Statements"]

[Text] Bratislava—Vladimir Zhirinovskiy's statements are very dangerous and may cause a great deal of political damage, because, despite his outrageousness and extreme views, people everywhere listen to him. This was how Foreign Minister Eduard Kukan, in an interview with a TA SR correspondent, characterized the statement made on 5 July by the Russian Liberal Democratic Party chairman at the CSCE Parliamentary Assembly in Vienna. It is necessary to realize that something of what he says sticks in the minds of Western politicians—for example, in the form of where Slovakia is also actually heading—continued E. Kukan in connection with the ideas expressed by V. Zhirinovskiy about the new division of Europe.

ΩHistorian Advocates Slovak Neutrality

94P20938A

[Editorial Report] An article in a pro-Meciar weekly has challenged the Moravcik government's policy of seeking membership in NATO and the Western European Union (WEU), calling instead for the maintenance of Slovak neutrality. Writing in the 27 May issue of LITERARNY TYZDENNIK, Jan Tesar, a former dissident, has asserted that the government's position on NATO is "erroneous" because it "lacks geopolitical focus." He argued instead that Slovakia's geopolitical situation requires that the country avoid "possible military involvements" and strive for neutrality.

Tesar, a Bratislava historian of Czech origin, who before 1989 contributed to dissident samizdat publications and opted for Slovak citizenship in 1993, called for "a nationwide discussion" on the issue of Slovak security, a discussion that, he said, "should have taken place a long time ago." He alleged that there was "a genuine need" for such a debate because the current Slovak government's foreign and defense policies were out of touch with "the Slovak historical experience" and, furthermore, were the result of "geopolitical solutions...that were not based on adequate geopolitical analysis." Contesting the government's position that claimed that its effort to join NATO was supported by the Slovak public, Tesar claimed that there was no public consensus on the issue of Slovak security. On the contrary, he wrote, "Slovak society is ideologically split," and, what is worse, "Slovak political parties offer no real alternative" to the government's controversial and "unchallenged principles."

In such a situation, Tesar insisted, "informed thought" about the challenges posed by the quest for "real security policies" must proceed from "two given geopolitical facts" that, according to him, "define the status of the Slovak territory and the Slovak nation"—namely, from the fact that Slovakia is a small country and that the current "transitional" situation in postcommunist Europe offers a small country like Slovakia, wedged as it is between NATO states and Russia, "a unique chance to negotiate successfully for neutrality." The importance of these two factors, argued Tesar, overrides all other considerations, and the only "sensible political conclusion" to be drawn from their coincidence was that neutrality and not membership in NATO was "the optimal goal" of policies aiming at preserving Slovak security and independence. Slovak politicans, he continued, must keep in mind the inherent danger associated with membership "in an alliance with powerful partners." By joining such an alliance, "small states always and inevitably risk becoming satellites" and thus face "a substantial limitation of their sovereignty." It is because of this demeaning consequence, he said, that neutrality suggests itself as "a desirable alternative."

In Tesar's view, a small country's neutrality need not inevitably lead to a condition of political passivity and marginality. As a matter of fact, he considered neutrality "the most intelligent foreign policy means" available to a small state wishing to remain independent and sovereign because it permits it "to be engaged in the preservation of the existing balance of power." An intelligently ruled small country must be engaged in what he called "the process of power balancing," which he defines as "maintenance of an existing power equilibrium by means of employing one's own policies inspired by one's own decisions." This kind of activism is implied, he explained, in the fact that, "in principle, a small state can exist either because it is located in an area of power vacuum or because it becomes a sort of balancing factor that preserves the power equilibrium established by stronger partners [that surround it]." As a result, "a small state...is always interested in maintaining the equilibrium of power that makes its life possible." This is why, Tesar wrote, Slovakia should reject the present government's "Atlantic toadyism" and abandon efforts at joining NATO. Slovakia simply "cannot afford to forget" that there is also another player on the European stage. He added that it is likely that, in the end, "Slovakia would be caught in German-Russian tensions, a fact that could be utilized by resolute and intelligent Slovak politicians to Slovakia's enormous advantage" if they could skillfully "balance out" the interests of both powerful states in the area. He further explained that, while, at this moment, "Russia's power has declined, it had not been suppressed to such an extent that Russia would totally resign itself to relinquishing its influence and its competition with the West in Central Europe and the Balkans."

Tesar was also skeptical of the importance of the U.S. presence in Europe: "A correct understanding of geography...substantially reduces the hopes associated with the United States practically to zero." What will, however, endure, he claimed, will be "the Russo-American competition, which is more significant than an [occasional] Russo-American alliance forged by the need of the two to

confront other superpowers in the Pacific area." Tesar also warned that "getting involved with NATO" brought with it the risk of being engulfed by "a coming economic crisis, which will result in the West's decline and which threatens the danger of ever expanding wars." For him, this was an additional reason to condemn "the decision of the collaborationist East European governments to join NATO," which, he felt, "amounted to an invitation to future disaster."

Meciar: Class of Rich People Must Be Created

AU1107164294 Bratislava SLOVENSKY DENNIK in Slovak 8 Jul 94 p 2

[TA SR report: "A Class of Rich People"]

[Text] Bratislava—"The government that will be established after the October elections must create a class of rich people. It is a historical task that will have an influence on the further development of Slovakia," Vladimir Meciar, chairman of the Movement for a Democratic Slovakia [HZDS], said at a meeting with foreign journalists yesterday.

In a discussion, he made the journalists familiar with the current political and economic situation in Slovakia. He drew their attention to the fact that the present government had increased energy prices as of 1 July, and consumer prices should increase as of 1 August as a consequence of the increase in the value-added tax from 6 to 25 percent. He expresses the hope that the bill on signposts will not pass (the National Council of the Slovak Republic approved this bill at its meeting afternoon—TA SR note) because this bill respects only the Hungarian minority. In this connection, he said that in Slovakia there also is a Romany minority whose demands should also have been included in the so-called sign law.

The situation in Slovakia before November 1989 was also discussed. The HZDS chairman spoke about his debut on the political scene and his efforts to establish an illegal movement under the prerevolution regime. Meciar mentioned the advantages of the center movement, which becomes a counterweight should the right or left bloc becomes stronger because this movement will lean to the opposite bloc, acting as a counterweight.

Meciar Seen Changing Tactics, Wooing Hungarians

AU1107164494 Bratislava NARODNA OBRODA in Slovak 7 Jul 94 p 3

[Commentary by Ivan Horsky: "The Surprise, Meciar's Hungarian Card, Was Not One"]

[Text] A certain congeniality of temperament between the chairman of the Movement for a Democratic Slovakia [HZDS] and the chairman of the Coexistence Movement is not just common knowledge: even insiders who see under the lid of the pot in which the domestic political stew is cooking have been drawing attention to it.

Suspecting Vladimir Meciar of incompetence or poor political tactics would be a fundamental mistake. He confirmed this once again at a rally held by the HZDS and its coalition partner, the Farmers Party of Slovakia (RSS), at Lehnice, Dunajska Streda district, a few days ago. Leaving aside the purely specialized aspects of the discussion on problems of the agrarian sector, which are of key significance for the Rye Island [region along the Danube in southern Slovakia, of which Dunajska Streda is the center], Meciar for the first time partially lifted the veil of his policy for this ethnically mixed territory, which is inhabited by a not insignificant part of the Hungarian minority.

In one of his replies, the HZDS chairman said that "the HZDS is not opposed to the so-called signpost law that will be approved. However, Slovak-Hungarian interstate relations should not be carried into relations between the Hungarian minority and Slovaks." Well, he who followed the speeches by HZDS deputies during the first, unsuccessful, vote on this bill and, in particular, their reactions after the announcement of the result of the vote, must, at the very least, shake his head in disbelief over Meciar's statement and express great surprise over this unexpected change in the HZDS chief's position. However, this was nothing compared with what followed at Lehnice. Meciar said something that must take one's breath away: "in the interest of the economic development of Slovakia, the HZDS is also ready to cooperate with Hungarian political parties." This is basically in order and, during Meciar's first premiership, was actually the case. What followed, however, was reminiscent of a symbiosis between fire and water.

The strong words used by Meciar during his second premiership, the transparent efforts to fool the Council of Europe in connection with the fulfillment of the two commitments assumed by his government on its admission to the Council of Europe, and the subsequent deterioration of relations with Hungary, caused jointly and indivisibly by the fundamentalist positions of both former cabinets, certainly did not enhance confidence in him among political representatives of the Hungarian minority. This is why, shortly after his dismissal, he tried to send accommodating signals to, in particular, Miklos Duray, signals also entailing certain offers of cooperation and its price. Those signals have become stronger after the change of the situation in Budapest, where the Coexistence chief lost his political backing because of his open support for the Hungarian Democratic Forum and the realization in Budapest that disputed problems between the two neighboring states must be dealt with without arousing conflicts—not only in the interest of Slovakia and Hungary, but also from a broader international viewpoint.

This, apart from the personal disagreements between representatives of the ethnic Hungarian parties, could

explain why Miklos Duray so vehemently slows down the formation of a three-member coalition [of the Coexistence Movement] with the Hungarian Christian Democratic Movement and the Hungarian Civic Party and thereby increases his own price for possible cooperation with Vladimir Meciar. As a good tactician, Meciar knows that he does not have many options for possible postelectoral government cooperation. He has therefore decided to change his course of action and, for a change, play the Hungarian card, Coexistence style.

The question is whether his calculation will come off.

Hungarian Minority Leader on Possible Coalition

AU1107201694 Prague CESKY DENIK in Czech 8 Jul 94 p 12

[Interview with Bela Bugar, chairman of the Hungarian Christian Democratic Movement, by Ivan Vilcek; place and date not given: "Hungarians in Slovakia Support the Present Government"]

[Excerpts] [passage omitted] [Vilcek] The Egyutteles movement gives the Hungarian Civic Party (MOS) ultimatumlike conditions for joining the coalition Egyutteles (Coexistence)-Hungarian Christian Democratic Movement (MKDH). It transpires that not all representatives of the Hungarian minority are ready to forget the differences of the past. What chance do you believe the creation of the "tripartite" coalition has at this time?

[Bugar] We originally planned a coalition between Egyutteles and the MKDH only. While signing the bilateral coalition agreement, however, we left open the possibility for another entity to join the coalition. According to the coalition agreement, we must coordinate the process first between the two of us and, then, on the basis of concurrence, proceed jointly with talks with the third party. It was actually at one of our talks that Egyutteles Chairman Miklos Duray raised the ultimatum demands with respect to the MOS, according to which some leading representatives of this party could not appear on the joint slates. We have not accepted this conditions and ultimatums game, and, after two weeks of intensive talks, it looks like Egyutteles will drop the demands.

[Vilcek] If Egyutteles makes unreasonable demands, the obvious question arises of whether Duray is at all interested in the "tripartite" coalition.

[Bugar] This must be clarified within the Egyutteles movement. The MKDH is in favor of the creation of the "tripartite" coalition, and we believe that we will reach an agreement on it with Duray. With the coming elections, unity within the Hungarian minority is a necessity.

[Vilcek] If the tripartite coalition cannot be formed, it appears that many Hungarian voters will give their votes to the Party of the Democratic Left (SDL) of Peter Weiss. The left-wing oriented voters from the ranks of the Hungarian minority have been bolstered by election results in Hungary....

[Bugar] Peter Weiss's party did not make any efforts to gain Hungarian voters in 1992. At present, however, such efforts are obvious, and it is the SDL that pays for advertisements in UJ SZO, the only Hungarian daily published in Slovakia. The voters expect the formation of the "tripartite" coalition, and the joint work of the Hungarian parties can also attract undecided voters in the south of Slovakia. The "tripartite" coalition should protect the interests of both Hungarians and Slovaks living in the mixed territories. [passage omitted]

[Vilcek] How will election results in Hungary affect minority politics in Slovakia?

[Bugar] Following the elections, our southern neighbor's situation has completely changed. Even in the past, however, the MKDH has not tried to cooperate with just one party in Hungary. We know that we will have to cooperate with the government that will come out of the elections. Nevertheless, we hope that the new leadership in Budapest will be interested in our opinion and coordinate the approach to minority issues.

[Vilcek] You mentioned that you are not cooperating with just one party in Hungary. Miklos Duray, however, became directly involved in the Hungarian election campaign on the side of the Hungarian Democratic Forum and warned against a victory for the Socialist Party of Gyula Horn. The Hungarian Democratic Forum is now in opposition, and the socialists are in power. Will that not jeopardize your future cooperation with the new government in Budapest?

[Bugar] I could say that it is a problem for Duray and his Egyutteles. Nevertheless, it is not true. It is a problem that concerns all Hungarians living in Slovakia when our politician becomes somewhat involved in the campaign of a neighboring country. According to the first reactions of socialists in Hungary, they are willing to cooperate with all representatives of the Hungarian minority in Slovakia.

Left Bloc: No Harm in Members Leaving Coalition

AU1207082694 Bratislava SLOVENSKY DENNIK in Slovak 7 Jul 94 p 2

[Article by "(vg)": "The Left Bloc: The Movement for a Democratic Slovakia Pretends It Can Reach Agreement"]

[Text] According to Peter Weiss, chairman of the Party of the Democratic Left [SDL], the Movement for a Democratic Slovakia [HZDS] is trying to create the impression that it is able to establish a coalition. As he said at a news conference with the left-wing coalition,

HZDS representatives are successful in reaching agreement with people who are not satisfied with their inclusion on the joint list of candidates of the SDL, the Social Democratic Party in Slovakia [SDSS], the Movement of Farmers, and the Green Party in Slovakia [SZS]. SDSS Chairman J. Volf said that the departure of some members of his party had not harmed the left coalition at all. According to him, this had only a very fractional effect on the SDSS, and the activity of one district, where the primary organization had left the party, was renewed last week. According to SZS Deputy Chairman P. Fabian, only 14 people left the SZS. Fabian provided information on the participation of SZS representatives in a meeting of the Federation of European Green Parties in Poland. At the meeting, questions related to ecological security, the security of Europe, and the NATO role linked thereto were discussed. The SZS proposed creating a zone of neutral European countries. Apart from Austria and Switzerland, Slovenia, the Slovak Republic, and the Balkan states should also belong among those countries.

Representatives of other parties associated in the coalition said that, regarding this problem, they respected the SZS's right to its own opinion on the matter. SDSS Deputy Chairman L. Bystricky stressed that integration in international structures must remain Slovakia's basic priority.

Cernak Favors Expansion of DU's Slate

AU1107135194 Bratislava SME in Slovak 7 Jul 94 p 3

[Article by "(dos)": "L. Cernak Would Welcome Expanding the Number of Parties on the Democratic Union's Slate"]

[Text] Bratislava—Ludovit Cernak, chairman of the National Democratic Party [NDS], has given a briefing on his meetings to date with Democratic Union [DU] Chairman Jozef Moravcik in which the two sides expressed their categorical interest in cooperating after the elections. According to Cernak, so far the talks have not come to a final conclusion because they anticipated that the issue of the participation of the Democratic Party's candidates on the DU slate will be resolved over the weekend. The NDS chairman said in this context that he would welcome it if the number of entities on the DU's slate were expanded. According to him, cooperation with the DU was always a priority for the NDS. Cernak said that the NDS's comments were taken into consideration in the draft signpost law and that its deputies will vote on the law in accordance with their consciences. He said that he would support the law. He criticized the current leadership of Matica Slovenska [Slovak Heritage Foundation] for giving preference to certain political entities and expressed the hope that this situation will not be a lasting one.

New Social Democracy Party Registered

LD1107172794 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1500 GMT 11 Jul 94

[Text] The Ministry of Interior has registered a new party called "Social Democracy [Socialna Demokracia]." Its temporary headquarters is in Zilina, and its acting chairwoman is (Alena Kunjakova), a former member of the Executive Council of the Social Democratic Party of Slovakia.

Deputies Consider Budget, Social Security Charges

AU1107180194 Bratislava PRAVDA in Slovak 7 Jul 94 pp 1-2

[Article by Stefan Hrcko: "Changes in Social Security From September"]

[Excerpts] Bratislava—Deputies devoted most of yesterday's fifth day of the 34th National Council of the Slovak Republic [NR SR] session to budget issues. They were briefed on the fulfillment of this year's state budget in the first quarter. They also discussed a government draft amendment to this budget; however, they will finish debating it today. The most important document approved yesterday was the law that adjusts, supplements, or, as the case may be, annuls some of the provisions in the social security (health and pensions insurance) sphere.

At the beginning of yesterday's part of the session, Igor Chamula (Slovak National Party) claimed that Deputy Pal Csaky, of the Hungarian Christian Democratic Movement, said on the Hungarian Television "Panorama" program on 15 June: "If there is a Greater Hungary once again, how grateful the Slovaks will be to us for this." He proposed that this statement be investigated by the parliamentary Mandate and Immunity Committee. Csaky protested that he did not utter this statement. In the end, parliament did not accept Chamula's proposal.

Subsequently, the National Council expressed its agreement with the Free Trade Agreement between the Slovak Republic and the Republic of Slovenia. On the basis of this agreement, duties on industrial goods are to be removed gradually—over the course of two years—in mutual trade. The agreement has been in force provisionally since the beginning of this year and will become valid following the exchange of ratification documents.

Parliament then made note of the report on the fulfillment of the Slovak Republic state budget for the first quarter of 1994. The overall budget deficit at the end of March amounted to 6 billion korunas [Sk] and, according to Finance Minister Rudolf Filkus, was reduced to Sk3.9 billion in April and to Sk2.3 billion in May. The minister said that the clearing account with the Czech Republic, in particular, and exceeding the planned budget expenditure on nonsystemic social security allowances and also the contributions to National

Insurance to get it "of the ground" have had an unfavorable influence on budget development. During the first quarter, budget revenue, which amounted to Sk32.5 billion, developed favorably, on the whole. [passage omitted]

At the end of yesterday's parliament session, the NR SR approved a comprehensive law that adjusts and supplements some of the provisions in the social security sphere. This law will come into force on 1 September 1994 and thus amends five laws: the law on health insurance for employees; the law on health care in the armed forces; the law on extending maternity leave, maternity allowances, and child allowances from health insurance; the law on social security; and the law on the state administration of social security. This five-part amendment harmonizes the valid legal provisions in the social (health and pensions insurance) security sphere and also annuls the laws on social security for cooperative farmers during illness, on social security for mothers and children, and several other legal norms. The same legal provisions as for other employees will relate to members of agricultural cooperatives in the sphere of health and pensions insurance. The concept of self-employed people and those working with them is defined in the law for the purposes of social security. The upper limit of the average daily net wage from which health insurance is calculated will rise from Sk180 to Sk200. The minimum level of a pension that is the only source of income for a pensioner or, as the case may be, for a pensioner and a family member dependent on him, will, by this adjustment, be equivalent to the minimum subsistence level. If the minimum subsistence level is increased, this is automatically valorized and the minimum level of such a pension is also increased. A social pension that is the only source of income may be granted up to the minimum subsistence level for an adult citizen. Of course, the law also contains a whole series of other adjustments.

The session continues today.

Government Approves Release of FNM Funds

AU1107164194 Bratislava NARODNA OBRODA in Slovak 7 Jul 94 p 2

[Article by Martin Hric: "The National Property Fund Will Help With Billions—When It Has Them"]

[Text] Bratislava—At its session yesterday, the government approved the release of funds from the National Property Fund [FNM]: .5 billion korunas [Sk] for the completion of unfinished apartments, almost Sk.25 billion for conversion, Sk3.5 billion for development programs, and Sk.5 billion for a farmers' support fund. This is on the condition, it is true, that the National Council of the Slovak Republic [NR SR] approves the amendment to the law on the state budget. The funds will be released from the FNM gradually, when it has them at its disposal.

The government once again approved the draft signpost law in its original version (that is, a community must have a 20-percent ethnic minority, the names from the supplement to the law must be respected, and the official names of towns will be rendered on road signs).

Who knows whether town and city mayors will be happy or sad, but the government rejected the law on their legal status and salaries because it would be at variance with the Constitution and the jurisdiction of a self-administration.

The law on the universities is not the long-anticipated "major" law; the government approved only an amendment to the noncontroversial parts. A university must be established by law. The law designates university titles, regulates the legal conditions for assistants (they can be employed for only a specific period), and strengthens the position of deans of faculty and academic senates.

Another draft NR SR law concerns the privatization of the gas and electricity enterprises. The state will maintain a majority stake in the future joint-stock companies, and the Industry Ministry will represent it in them instead of the National Property Fund.

The government also discussed a report on further measures to support exports. Free trade zones are being taken into consideration in cooperation with Poland, Hungary, and Slovenia. The Economy Ministry intends to establish an Information and Marketing Center with a data base of export possibilities for small and medium-sized businesses. A discount for export bills of exchange will also help to revitalize exports to solvent customers. A competition to find the best exporter is also being organized.

A novelty? The current government intends to return to certain contentious measures approved by V. Meciar's government. The first is the submission of three privatization projects to the prosecutor general on suspicion of the abuse of the authority of a public official. These projects involve the privatization of Slovakofarma Hlohovec, Kovohut Krompachy, and Skloobal Nemsova. Either the enterprise managements were shown disproportionate preference or, of the possible offers from abroad, the worst ones for Slovakia were selected.

Foreign Minister-Designate Kovacs Views Tasks

AU1107180394 Budapest MAGYAR NEMZET in Hungarian 9 Jul 94 p 7

[Interview with Foreign Minister-Designate Laszlo Kovacs by Lajos Pietsch; place and date not given: "We Must Use Our International Scope for Maneuver"]

[Excerpt] [Passage omitted] [Pietsch] You have often declared over the past few weeks that the main lines of actions would remain unchanged; at the same time, you added that there would be a change in the way of thinking regarding foreign policy, as well as its means and style. Would you give us some details on the essence of the changes?

[Kovacs] The foreign policy concept of the new government will be based exclusively on rational elements; in other words, it will not start from some kind of mission of Hungarians, it will not rely on the merits or offenses of the historical past, and it will not select important partners for Hungary on the basis of ideological or political criteria. We must strive to precisely evaluate Hungary's actual international scope for maneuvering and make maximum use of it, and even continue to broaden it cautiously, but never exceed it, because this could have catastrophic consequences for a small country. We will not try to exercise pressure on other countries out of foreign policy considerations, and we will not try to isolate some neighbors, for example, by hindering their acceptance in international organizations, all the more so because the fate of ethnic Hungarians living beyond our borders greatly depends on whether the neighboring countries integrate into Europe. Their European integration automatically requires a national minority policy suitable to the European norms. We will not try to use the high-level talks as history lessons. We will try to achieve our goals by making initiatives, rather than by restricting our contacts. We will also use gestures that do not threaten our basic interests but are suitable for strengthening confidence. We think empathy is essential, because it is important to know how the negotiating partner thinks and what affects his thinking.

[Pietsch] Regarding our European integration, will an introductory visit in Brussels be the first step?

[Kovacs] We would definitely like to visit Brussels as soon as possible, first of all in order to meet with the heads of the EU, NATO, and the Western European Union. I would like to inform them about the Hungarian concepts about what we expect from these organizations and how we want to contribute to their activity.

[Pietsch] The new Hungarian government has already been criticized by the new opposition for allegedly attributing exaggerated importance to the basic treaties with the neighboring countries. Is such a basic treaty a goal or a means to improve relations?

[Kovacs] Of course it is a means of improving relations, and only if one of the countries in question firmly sticks to it for some reason. This is the case regarding Slovakia and Romania. Both the Slovak and Romanian leadership think that the signing of a basic treaty is an essential condition for progress in bilateral relations. Therefore, the expedient attitude is to show readiness to work out and sign such an agreement. The question, of course, is what kind of agreement this should be and what the basic agreement should include. We are convinced that it is only worth signing a basic treaty that eliminates the two issues that represent potential sources of conflict between Hungary and the respective neighboring countries. One of these issues is the border question; the other is the question of national minority rights. Therefore, we find it necessary to stipulate the inviolability of borders in the basic treaty in harmony with our neighbors' desire, and to formulate the fact that the two countries make no territorial demands on each other. However, it is also clear that it is impossible to avoid the issue of guaranteeing minority rights, either, in the basic treaty. We must mutually accept the responsibility to guarantee the rights of national minorities living in both countries in accordance with the European norms and the relevant European documents. These rights should be guaranteed and asserted in everyday life. If we succeed in signing such a comprehensive agreement with Slovakia and Romania, a basic treaty that settles the aforementioned two sources of tension, this will give a big impetus to the development of Hungarian-Slovak and Hungarian-Romanian relations. Hungary is interested in this for several reasons. [passage omitted]

Government Official on Minority Policy Issues

LD0807172994 Budapest Duna TV in Hungarian 1400 GMT 8 Jul 94

[Excerpts] [Unidentified announcer] Our guest in the studio is Csaba Tabajdi, state secretary-designate of the Prime Minister's Office. [passage omitted] In connection with the expectations of the new government program, let me cite Bishop Laszlo Tokes's words. He said: No less should be given to the Hungarian minorities beyond the border than the old government gave to them. What does this government program offer?

[Tabajdi] If one looks at the government program it will transpire that we offer no less. However, we design this policy with different methods and tools. One of the central features of this change of policy is that we have two equally important priorities.

The first is that the new Hungarian Government, the Horn government, first and foremost, has to help Hungarians beyond the border to make a living where they are residing. That is, with its limited means Hungary tries to facilitate the businesses of Hungarians beyond the border, the achievement of bourgeois status and the activity of local governments. We consider this equally important with legal protection and the support for autonomy endeavors. [passage omitted]

[Announcer] You said recently in a Hungarian press article that two things divided the Hungarians beyond the border: Who received support from Budapest and who was interviewed by the Hungarian media. How are you trying to change this?

[Tabajdi] In the following way: First, we try to radically change the system of support. Within the framework of the Illyes Foundation—of which I am a member and which was founded by the Nemeth government—we would not like to distribute monies ourselves: For example, it will not be us who is to decide on the [distribution of] money for the Hungarians in Romania, but a sub- board of trustees should be set up with the help of the Hungarian Democratic Union of Romania, and Chairman Bela Marko proved to be a very serious partner in this. This sub-board of trustees can decide much better where this support is really needed. [passage omitted]

The other thing is, who has access to the media. It depends on what will happen to DunaTV. I think one of the most important achievements of the coalition negotiations is that we could maintain the Office of Hungarians Beyond the Border as an independent organization unit and we could maintain DunaTV as an institution, even though organizational changes are to be implemented. The third achievement is a sentence in the government program that says that the Horn government wants to financially support Hungarians beyond the border at least to the same level as they were supported so far. A new element to this is that we would like a fixed percentage to be earmarked in the Hungarian budget for the support of the Hungarians beyond the border so that the size of support will not be grounds for fighting between parties.

[Announcer] How large could this amount be?

[Tabajdi] Well, now it is around 0.001 percent. It would be good to fix a certain percent or per thousand. [passage omitted]

Slovak Envoy Comments on Bilateral Relations

LD0907084394 Bratislava STV 1 Television Network in Slovak 2025 GMT 8 Jul 94

[Excerpts] [Passage omitted] Western Europe observes very carefully the signals pointing towards concrete ways of solving disputes, particularly in policies related to nationalities. Cyril Zemanik, our correspondent in Budapest, used the opportunity of Wednesday's [6 July] St. Cyril and Methodius celebrations to ask the Mrs. Eva Mitrova, the Slovak ambassador in Hungary, for an interview.

[Begin recording] [Zemanik] Several weeks have passed since the Hungarian elections. The situation has obviously changed. The former government is in opposition and the opposition is in government. Is this movement being felt also in the quality of the latest Slovak-Hungarian relations and Hungarian-Slovak relations?

[Mitrova] I am at a disadvantage because I cannot compare very much. I can evaluate the present situation. The intensity and dynamics of the present movement and of the efforts to change favorably Slovak-Hungarian relations are very strong and obvious. I can testify to this on the basis of many meetings and discussions.

[Zemanik] There are certain fears that in spite of verbal declarations on the necessity of a quick conclusion of the basic Hungarian-Slovak treaty, the Hungarian side is starting to use what you might call wait-and-see tactics to see what will happen after the elections in Slovakia. Do you think that these fears are justified?

[Mitrova] I would not consider these to be fears. Of course, we are facing elections in Slovakia and it would be unwise not to consider them and not to have them in mind. Maybe some politicians see the importance of the elections in this way and as a result, they are waiting to see what happens. Personally, I have the impression that things are being speeded up, that there is a strong operational attitude. I could quote concrete examples. [passage omitted]

[Zemanik] The Hungarian side is very involved with the situation of the Hungarian minority living in Slovakia. However, it seems that the Slovak side does not put adequate emphasis on the situation of Slovaks living in Hungary, as if it were not such a great issue. Do you think this is justified and correct?

[Mitrova] Above all, I think it is not true because it only proves that finally, we have become aware that the matter of Slovak minorities living in Hungary has its own specific features which we respect, and that we try to approach the minorities in accordance with these specific features and needs. Since you have broached this issue, I am very pleased to say that the question of the Slovak minority in Hungary has been a very pleasant disappointment for me. It is my conviction, based on first-hand experience, that the Slovak minority here is going through a certain, and again specific, renaissance. It is up to us to be able to grasp the situation correctly and in harmony with them.

There are two aspects to it. The first is the attitude to Slovakia. It is up to us to awaken a certain trust and convince the Slovaks in Hungary that they have friends in Slovakia who may not yet fully understand them at this moment but who are trying to understand them as they are, that they can turn to them and seek real help. I must say that in spite of great efforts, this has not happened up to now. Secondly, we have to help them in providing what they need. [passage omitted] [end recording]

Torgyan Warns Against 'Socialist Restoration'

LD0907210194 Budapest Kossuth Radio Network in Hungarian 1600 GMT 9 Jul 94

[Excerpts] Jozsef Torgyan has been re-elected as chairman of the Smallholders Party [FKgP]. At the

session of the party's national executive the smallholders leader urged in an unprecedentedly resolute manner that national forces should unite to halt a socialist restoration. Agnes Papp reports:

[Papp] The newly elected party chairman said at the press briefing after the session that the smallholders have nothing to do with extremism. They are a center party and open to the public too. [passage omitted]

Asked about the party's concept on the future relationship with the parliamentary parties, Jozsef Torgyan said that in the changed situation after the elections his party is willing to cooperate with all parliamentary forces of national sentiment. What is more, the smallholders believe they can become the trustee of politics based on national and Christian sentiment, and politics of the people.

There was a great need for unity, Jozsef Torgyan stressed, because the national forces could take an effective stand only in unity against the increasingly frightening specter of communism.

Criticizing the government's program, Jozsef Torgyan said it contains nothing new. [passage omitted]

'Unfulfilled' Expectations After Clinton Visit

WS1107130994 Warsaw ZYCIE WARSZAWY in Polish 9 Jul 94 p 6

[Article by Robert Moren under the "Analysis" rubric: "Clinton Offered Us Just Words"]

[Text] By coming to Poland, the U.S. President had to face a difficult task. To U.S. diplomacy, the visit was much less significant than Clinton's participation in the summit of the richest countries that began in Naples on Friday or the visit to Germany, which begins on Monday. To the Polish people, however, the visit was the year's most important political event. What was expected first of all were specific U.S. declarations concerning support for Polish efforts toward more speedy integration into NATO.

The difficulty of Clinton's task was the fact that he had to say a lot without actually saying anything and that he had to promise closer cooperation without defining it with precision. At the same time, the U.S. President had to be careful not to say something that could put relations with Russia in jeopardy—Russia cast a shadow over the Warsaw talks that remained throughout the visit.

One must admit that Bill Clinton succeeded excellently in accomplishing all that.

During his speech before the Sejm, we heard many cordial words, as well as assurances that "the United States will not leave Poland by itself." This clear allusion to the imperial appetites Moscow has been displaying recently was the only significant statement. Clinton said that "no country can limit Poland's sovereignty." Still, that does not mean that the United States will go beyond declarations by doing something for the sake of defending our sovereignty.

Talking about the issue of Poland's integration into Western security structures was something Clinton avoided. U.S. diplomacy had nothing to offer in that regard, apart from statements that "Partnership for Peace" is a step in the right direction. While not having a lot to offer in political terms, Clinton tried to stress the practical aspect of his visit, which demonstrated itself in economic assistance. The U.S. press calculated its President's generosity to be worth about $200 million. If we take a closer look at the amount, it will turn out that there is just slightly less than $17 million in new assistance that was promised to Poland.

Credit guarantees totaling $25 million for the development of housing were granted to Poland two years ago. Assistance for the private sector ($75 million) comes from the Polish-U.S. Entrepreneurship Fund, which was set up by the U.S. Congress back in 1989. In terms of investments, $65 million was devoted from the European Bank for Reconstruction and Development, while the program for retraining unemployed people will be financed by the World Bank.

Only if one looks at what Clinton promised to the Ukrainians yesterday, however, can one see how minor the amounts devoted to Poland really are: During the Naples summit, the U.S. President made a declaration concerning a package of financial assistance for the reconstruction of Ukraine's energy system, worth a total of...$5 billion!

The Polish people's expectations went unfulfilled. We heard nothing about specific dates of our NATO membership or a contention that the time has come for major investments by Western capital in Poland, which could send a message to U.S. entrepreneurs.

Clinton has most probably left specific proposals of cooperation for today's meeting with Russian President Boris Yeltsin, who is taking part in the Naples summit. There is no escaping the conclusion that the Polish stop on Clinton's European trip was much less significant to him.

Russian Envoy on Poland, NATO, Security

LD1107150794 Warsaw PAP in Polish 1221 GMT 11 Jul 94

[Text] Warsaw, 11 Jul—A lack of final agreements and documentation concerning the construction on Polish territory of a gas pipeline from Russia to West Europe, and especially the lack of government guarantees for Polish companies that would be building the pipeline, are, according to Yuriy Kashlev, the Russian ambassador in Warsaw, basic reasons that Russian Prime Minister Viktor Chernomyrdin is not coming to Poland.

"Chernomyrdin, who, as it is known, is a man familiar with the gas and oil industry, will come when all is ready," Kashlev said today at a meeting with journalists in Warsaw. In the ambassador's view, the issue of the gas pipeline construction is "one of those issues that, for some reason, is being resolved slowly, in spite of the fact that Poland apparently was clearly interested in it".

Kashlev said: "Thank God that silly arguments about NATO are coming to an end." "Russia is being blamed for not wanting Poland to join NATO, but Russia must not even do that. If Poland is not allowed to join NATO now, it is those who do not agree to that who are guilty. And those who do not agree say that Russia is making obstacles. And Russia stopped playing a crucial role in this case a long time ago," the Russian diplomat said.

"We have our own relationship with NATO, different from that of Poland's. But it is not we who tell Clinton or Kohl when to admit Poland, etc. They simply act for their own reasons, not Russia's. At the moment, they are not ready to admit Poland to NATO. This is a serious matter; a lot of money is involved here, the restructuring of the armed forces, obligations that NATO is not yet ready to take upon itself. That is why Clinton did not give a deadline for the extension of NATO and only declared that it would happen," he added.

Kashlev pointed out that all that "rich America" could give toward Poland's participation in the Partnership for Peace scheme was $25 million, which is the equivalent of one aircraft. In his opinion, Poland itself would have to pay more for its participation in Partnership for Peace than Clinton had promised.

According to Kashlev, Russia acknowledges that the Pan-European security system should be built on the basis of all existing political organizations, such as the CSCE, the Council of Europe, the European Union, and the Commonwealth of Independent States. "There is no need to make NATO a leading or main organization, or the only one," the ambassador said.

"That is why we are not in a hurry to join NATO and do not want other countries to do that," Kashlev said, acknowledging at the same time that all disputes on this subject between Polish and Russian politicians were a sign of normality in bilateral relations. Asked which parts of the world Russia considered as its sphere of vital interests, Kashlev replied that Russia, first and foremost, was interested in a situation in those areas from which direct threat for his country may come—for example, the situation in Georgia, Abkhazia, Ossetia, and Moldova. In his view, the reconstruction of the political unity of former Soviet republics was not possible, but, beside the Baltic states, they are striving toward an economic union.

Olechowski: Formal NATO Membership Secondary

WS1207073194 Warsaw POLSKA ZBROJNA in Polish 11 Jul 94 p 1

[Commentary by Polish Foreign Minister Andrzej Olechowski under the "Commentaries for POLSKA ZBROJNA" rubric: "U.S. Support"]

[Text] It is hard not to appreciate the message of sympathy and support that came from the United States. A visit by the U.S. President is a very costly and complicated undertaking, but that did not prevent Bill Clinton from coming to Warsaw. It was not a meaningless gesture. The President made it clear that the United States is to Poland economically, politically, and in terms of security. [sentence as published] He chose his words and terms carefully, and he addressed things that bother us. He spoke about a "gray area" in Europe, about a veto by a third country, and about Polish economic problems. He tried to address our fears and problems, and my view is that he did it to a sufficient degree.

Obviously, President Clinton could have taken a step further concerning our membership in NATO. On this issue, we have been particularly impatient and active on the international scene. The fact remains, however, that, if we try to compare all of the positive sides of the visit with all of the unexpected hopes raised, the score will be a dozen or so to one.

At any rate, the military must pay attention to the real rather than the decorative aspect of the issue. Also, when it comes to the real aspect, in my view, the certainty that the Polish defense system can indeed cooperate with NATO's and be compatible with it is the most important thing. From that standpoint, whether we are formally a NATO member is a secondary issue, so to speak. Let me cite a historical example: cooperation between Great Britain and France before World War I. There were no guarantees whatsoever concluded between the two countries; there was just day-to-day cooperation between commanders, as well as common objectives. To us, "Partnership for Peace" is of key importance, or actually it is the contents with which we will fill the program. What is the use of alliances if we do not have cannons? What is the use of guarantees if we run out of machine guns?

Ratings Improve for Pawlak as Prime Minister

PM1207095894 Katowice TRYBUNA SLASKA in Polish 6 July 94 p 6

[Article by "AO": "The Poor Man's Prime Minister"]

[Text] [Article is preceded by illustration showing the following opinion poll results presented in pie-chart form]

Is Waldemar Pawlak a good prime minister?

	Nov 93	Mar 94	Jun 94
	(in percent)		
Yes, definitely	10	8	10
Rather yes than no	52	46	51
Rather no than yes	12	21	21
Definitely not	2	6	6
Hard to say	24	19	12

A survey of public appraisal of the work of Prime Minister Pawlak and his government was also carried out by the Public Opinion Survey Center. Respondents were asked the following question: "In your view, is Waldemar Pawlak a good prime minister?" More than half (61 percent) of those polled asserted that Pawlak is a good prime minister, while 27 percent were of the opposite opinion.

Prime Minister Pawlak's results in that poll returned, after a drop in March of this year (to 54 percent), to the level of November of last year and again stood at 61 percent. In the course of the past three months, the positive assessment group increased by 7 percentage points. At the same time, the proportion of negative assessments remained unchanged in relation to the March figures (27 percent), while the share of "Don't know's" decreased. The respondents had a better opinion of the Pawlak government than of the previous team headed by Hanna Suchocka. Opinions on Prime

Minister Pawlak's effectiveness depend clearly on social and demographic actors. It can be said that the lower the respondents' education, the more likely they are to give Pawlak a positive assessment. There is more appreciation of the prime minister's work among people up to age 30, rural residents, people age 60 and over, and people with primary educations. Among different social, occupational, and professional groups, farmers and blue-collar workers have the highest opinion of the prime minister, while the intelligentsia and private entrepreneurs give him the lowest ratings. In addition, the higher the level of adherence to religious zeal, measured by respondents' own declarations, the more frequent the positive assessments of Waldemar Pawlak's work as prime minister. Views on the prime minister's suitability for his post depend also on the political declarations made by those polled. People of the left-wing persuasion are inclined to express a more positive opinion of him than those who hold different political views. Those who voted in favor of the Polish Peasant Party [PSL] and the Democratic Left Alliance [SLD] in the last election are definitely the most complimentary in their opinions of the head of our government (82 percent and 61 percent, respectively). Adherents of other political groups (Union of Labor—47 percent; Democratic Union—38 percent) are more critical of Pawlak. Positive assessments of the prime minister's achievements are fostered by an optimistic belief that the material well-being of the Polish population will improve during the next three years. In addition, half of those polled assess Pawlak's economic program positively (50 percent), while 29 percent have a negative opinion of it. The remaining 12 percent did not have a firm view of it either way. During the past three months, the above opinions have not changed to any great extent. The positive opinions rose by 5 percentage points, while the proportion of "hard to say" answers fell by 7 percent. Moreover, positive appraisal of the economic program developed by Prime Minister Pawlak's team rises with the fall in respondents' educations. Among different social, occupational, and professional groups, farmers hold by far the highest opinion of the program, while the intelligentsia and private entrepreneurs hold the lowest view of it. The most positive assessment is expressed by those respondents who voted for the PSL (66 percent) and the SLD (61 percent) in the last parliamentary election.

Labor Minister on Coalition, Resolving Conflicts

WS1107140794 Warsaw TRYBUNA in Polish 9-10 Jul 94 p 7

[Interview with Polish Labor and Social Policy Minister Leszek Miller by Anna Kwiatkowska; place and date not given: "The Death of the Bugbears"]

[Text] [Kwiatkowska] What did the Democratic Left Alliance [SLD] gain through its coalition with the Polish Peasant Party [PSL]?

[Miller] I think that, because of the measures the coalition has undertaken to date, it has managed to overcome, for a long time to come, several myths that were used as bugbears by our political adversaries to scare the voters. What I mean are views expressed to the effect that the rules of the SLD-PSL coalition will lead to Poland's political and economic international isolation, that the governmental arrangement may cause some major social conflicts, that only vinegar will be left in the grocery stores, while the economy will be subjected to destruction.

However, the fact is that nothing like that ever happened. On the contrary, economic indicators have been rising, and we have been introducing social protection measures. International relations have been developing. The coalition's measures caused the death of the bugbears. This is significant to the SLD inasmuch as some of our potential supporters in the parliamentary elections [on 19 September] were indeed convinced, and those people either did not vote at all, or they voted for the Union of Labor. The self-governmental elections did, however, demonstrate that the mechanism no longer works.

[Kwiatkowska] Still, opinion polls reflect that society does not feel secure about its standard of living...

[Miller] That is because the situation simply cannot change right away. I often hear views during meetings with voters that prices keep rising and that nothing has changed. That is just not true. Previous cabinets have also raised prices. The current increases of energy prices, however, are 10 percent lower than under Prime Minister Suchocka's government. Also keep in mind that, back then, there were no valorizations of retirement and other kinds of pensions carried out three times, the valorization indicator did not rise, and neither did real wages.

[Kwiatkowska] There are, however, conflicts within the coalition.

[Miller] Real differences pertain to political issues. One cannot blame the PSL for that because it has been saying from the beginning that it is opposed to liberalizing the antiabortion law and to nonratification of the Concordat. While engaging themselves in this "coalition marriage," both sides know exactly what they want to say on these issues. There are also differences concerning issues of the country's regime, such as introducing powiats.

When it comes to social and economic issues, we are generally in agreement. The approaches to the privatization issue may be an exception in that regard.

[Kwiatkowska] What kind of partner is the PSL?

[Miller] A difficult one. It is very strongly convinced about its arguments, and it changes its positions very reluctantly. PSL politicians are distrustful and become

irritated when they hear views that the "coalition marriage" was somehow imposed.

[Kwiatkowska] How should one go about resolving these conflicts?

[Miller] The fundamental mistake is that issues over which there are conflicts are debated not in statutorily prescribed organs of both parties but at forums that are established on an ad hoc basis. This prevents a mature and more representative discussion.

[Kwiatkowska] What will be the coalition's fate?

[Miller] Every day the "marriage" lasts works in its favor. This coalition guarantees stabilization for Poland. One can implement important reforms under such conditions. Second, ever-closer cooperation at the local level has been emerging. Even if the elite in Warsaw decide to go their separate ways, such a decision may meet with resistance across the country.

[Kwiatkowska] At the same time, there is talk that the SLD has let the PSL have domination over it in the coalition game.

[Miller] I would not agree with the proposition that the SLD has nothing to say in the coalition. But one must remember that the PSL leader is the prime minister, and that creates a position of domination. If the prime minister does not want to sign something, he will simply not sign it. All we can do is apply pressure.

[Kwiatkowska] Thank you for the conversation.

ΩEconomic Think Tanks Described

94P20927A

[Editorial Report] The 15 May issue of the left-leaning, Poznan-based weekly WPROST published the following information on the major nongovernment economic institutions and think tanks that analyze and do research on the Polish economy:

—Founded in 1989, the Adam Smith Center (Centrum im. Adama Smith or CAS) is the "oldest" nongovernment institute that conducts scientific research and "propagates the ideas of the free market." It was founded by Professor Jan Winiecki, its current president, and Dr. Andrzej Sadowski, the latter a member of the executive board of Economic Action (Akcja Gospodarcza), which was set up in 1988 by members of the political opposition who supported publishing. It organized a series of seminars on the subject of the systemic transformation in Poland and other "postsocialist" countries, the result of which was published in 1993 in London and New York as the book *The Macroeconomics of Transition: Development in East-Central Europe.*

Since 1992, the Center has popularized free-market proposals by publishing a series of press articles under the rubric "Myths in the Economy," some of which have appeared, among other places, in the Warsaw economic weekly ZYCIE GOSPODARCZE. CAS also publishes reports based on its research, a semiannual bulletin called KONIUNKTURA GOSPODARCZA POLSKI (The Economic Business Outlook of Poland), and books by foreign economic experts, including Milton Friedman, James D. Gwartney, and Richard L. Stroup. About 30 people are associated with the Center—economists, lawyers, sociologists, and philosophers—including Professor Janusz Beksiak, Professor Adam Lipowski, and Professor Waclaw Wilczynski. James M. Buchanan, the American Nobel laureate in economics, is a member of the Center's program council. The Center has a permanent staff of five persons and is funded by "institutions in Poland and abroad."

—The "CASE" Foundation (Fundacja "CASE"), which was established in August 1991, is financed by grants funded mostly by foreign institutions such as the Ford Foundation and the European Union Commission, and also by the Polish Committee for Scientific Research (KBN). CASE research projects have included comparative studies of market reform and budget problems in the countries of East Europe and the former Soviet Union. "CASE" also cooperates with the Ministry of Privatization and the Polish Development Bank (PBR). There are two full-time administrative staff employees; experts in given areas are hired on contract. "CASE" publishes its findings in a series called STUDIA I ANALIZY (Studies and Analyses).

—The Institute of Research on Democracy and Entrepeneurship (Instytut Badan nad Demokracja i Przedsiebiorczoscia), established in 1993, is financed by the National Chamber of Commerce (KIG) and also receives grants from Polish financial institutions and "some businesses." The institute has conducted studies of compliance with tax laws and the functioning of the "shadow sector" of the economy. So far, three publications have resulted from the Institute's research, including a "Report on Taxes." The institute has two people on permanent staff and works cooperatively with the Finance Ministry researchers.

—According to its chairman, Leszek Balcerowicz, the purpose of the Foundation for Economic Education (Fundacja Edukacji Ekonomicznej), which was established in 1991, is the "education and promotion of economic knowledge in society." To that end, the foundation maintains "regular contact" with journalists and politicians who favor the "reform option." It also organizes meetings and seminars and sponsors an annual award called "Prism" for the best media reporting on the economy. It also sponsors meetings of politicians to promote discussion of the issues involved in the transition of the countries of East Europe to deomcracy and the free market. The foundation is run on a nonprofit basis, supporting itself from "gifts offered by Polish financial institutions and businesses." There are two people permanently on staff.

—The Institute of Research on the Market Economy (Instytut Badan nad Gospodarka Rynkowa or IBnGR) was founded in Gdansk in December 1989 on the initiative of a group of economists involved with the Solidarity opposition during the 1980's. The first president, Janusz Lewandowski, was succeeded by Jan Szomburg following the former's appointment as minister of privatization in the Bielecki and Suchocka governments. The Founders' Council also included Jacek Merkel, creator of the Solidarity Economic Fund and Foundation; Anthony Levitas, of Harvard University; and Archbishop Tadeusz Goclowski, of the Gdansk Archdiocese. The Institute's Educational Council was established by, among others, Janusz Beksiak, Henryk Kierzkowski, Stanislaw Wellisz, and Jan Winiecki. According to Vice President Maciej H. Grabowski, the main task of the institute is the production of "prognoses and opinions on the economy, competitive with those produced by the government's institutions."

The institute analyzes the economic processes under way primarily in Poland but "also in other countries of Central Europe." A current research project is "Tax Policy During the Transition Period to a Market Economy," conducted by institute employees (numbering about 30) and contributors from various academic and scientific centers in Gdansk, Warsaw, and Lublin. One of the more popular series published by the institute, ECONOMIC TRANSFORMATIONS, numbers 41 issues to date. According to Grabowski, it has a more "informational character" than a purely academic one. It also has the advantage of being published quickly, within a month, "at the most two," says Grabowski, while, at a university, it would wait for publication up to two years. In addition, the institute publishes an "annual report" on the course of privatization to date and "guide books" to privatization, which have proved a "big hit" with, among others, local government bodies. Most of the publications are in both Polish and English. While the Institute of Research on the Market Economy operates on a nonprofit basis, its information and analyses are acknowledged "to have considerable market value." Grabowski insists that "the institute has no desire to be yet another consulting firm."

The IBnGR's activities "are sponsored by" the Ford Foundation, the German Marshall Fund of the United States, the British Know-How Fund, the World Bank, the Konrad Adenauer Foundation, and the EU's PHARE program (Economic Reconstruction Aid for Poland and Hungary). "Only one program" conducted by the Institute was financed by the Ministry of Privatization (research on the course of the privatization process) and one by the Polish Development Bank (a map of investment risks.)

PRC Prime Minister Arrives in Bucharest

AU1107153594 Bucharest Radio Romania Network in Romanian 1300 GMT 11 Jul 94

[Text] Today Chinese Prime Minister Li Peng arrived in Bucharest from Constanta. The guest, who is accompanied by an important delegation of Chinese businessmen, was welcomed at Otopeni Airport by Prime Minister Nicolae Vacaroiu and Minister of Foreign Affairs Teodor Melescanu.

After the official welcome ceremony scheduled for this afternoon at Cotroceni Palace, the Chinese dignitary will hold the first round of talks with President Ion Iliescu.

Tonight, the head of the Romanian state will give an official dinner in honor the distinguished guest.

We remind our listeners that Romania is the last leg of Premier Li Peng's European tour, which also included Austria and Germany.

Iliescu, Li Peng Statements

AU1107190794 Bucharest Radio Romania Network in Romanian 1700 GMT 11 Jul 94

[Text] Today at Cotroceni Palace, Romania's President Ion Iliescu held talks with Li Peng, the premier of the State Council of the People's Republic of China.

After the talks President Ion Iliescu and Premier Li Peng made statements for the press.

This is what President Iliescu said:

[Begin Iliescu recording] First I would like to emphasize our appreciation for this, the first visit to Romania after the [1989] December revolution, by the head of China's State Council.

I would also like to highlight the political significance of this visit, the first high-level visit in recent years, which expresses on the one hand the political resoluteness of the leadership of the two countries to strengthen, further, and diversify our bilateral relations, which look back on a long tradition and which comply with the mutual interests of the two states. Regardless of the political changes that have taken place, the state structures, or the systems, and the major interests of the relations between our states have always prevailed and still prevail under the new circumstances.

We continued the dialogue initiated during my 1991 visit to Beijing. Later we met again at an international conference in Rio de Janeiro. This year I had the opportunity to visit the coastal region of China.

We have appreciated and still appreciate the dynamic character of the economic development of China, a country with the largest population of the world—when one is talking about China one is actually talking about one quarter of the world's population—which is undergoing dynamic development, and not solely in the coastal regions, but also throughout the Chinese economy. Therefore it lies in our interests, in the interests of our country, which is in a transformation process on all levels, to find partners for itself within the process of economic development. And China is a partner of great importance, and not solely for Romania. As you can see, all the countries of the world display the same interest. I mention this in connection with the opinions expressed by certain people, who measure Iliescu and Chancellor Kohl or Austria's Vranitzky by double standards. Thus, in this case it is not the ideological elements that prevail, but rather the economic interests and the interests of maintaining normal relations between states.

During the dialogue that we held this afternoon we emphasized our joint interests, our very good cooperation, the rich traditions of our bilateral relations, the political climate favoring the development of these relations, and our mutual interests, especially in the furthering of economic relations. For Romania, China is the second most important partner after Germany. For China, Romania is the principal partner in this region of transition countries. Therefore our dialogue concentrated especially upon ways to broaden our bilateral relations, both in the case of commercial relations and in the finding of concrete forms of cooperation in the production, in economy, as well as in the finding of specific forms for the period through which we are passing, namely in bilateral discounts and multilateral discounts, and possibly the setting up of a joint Romanian-Chinese bank, which could facilitate the relations between our economic units and the diversifying of cooperation forms.

This is what we wished to brief you on. We will have the opportunity to continue our dialogue tonight during dinner. Tomorrow a major political document is to be signed, a political declaration emphasizing precisely the foundation and the principles that we wish to make the basis of bilateral relations between our countries. [end recording]

This is the statement of Chinese Prime Minister Li Peng:

[Begin Li Peng recording in Mandarin with passage-by-passage Romanian translation] I would like to thank, first of all, his excellency the president, as well as the prime minister for the invitation that they made to me to come to visit Romania.

We have held talks with the president on international issues, as well as on issues of mutual interest within our bilateral relations. Our talks developed very well.

We consider that each country and each people has the right to choose the economic and social system that it wishes, and no other country is entitled to interfere with that option.

Currently China is developing, and it is developing quite well. However, in this development process we also face some difficulty. In the building of a socialist economy we are still encountering a number of hardships. We are cooperating very well with Romania.

There are a number of things that we assess similarly in international life. Both parties consider that world issues cannot be run on the basis of dictates, but rather that each country should decide independently upon the way that it wishes to follow.

I consider that our visit will contribute to the furthering, the promotion of the friendship and cooperation relations between China and Romania.

Please, convey my greetings to the Romanian people. [end recording]

Iliescu Comments on Ties

AU1107203694 Bucharest Radio Romania Network in Romanian 1900 GMT 11 Jul 94

[Text] This evening, during the official dinner in honor of Li Peng, the prime minister of the State Council of the PRC, Romanian President Ion Iliescu assessed the perspectives of Sino-Romanian relations in the following way:

[Begin Iliescu recording] The official visit that you are paying to Romania, the first Sino-Romanian summit meeting in our country since the 1989 December revolution, is a fortunate continuation of the series of contacts that I have had over recent years with Chinese leaders, during my 1991 visit to Beijing and in several provinces in the southern part of China in the spring of this year.

We find with satisfaction that the friendship and cooperation relations between Romania and the PRC—based on the universally recognized norms of international rights, the long-term interests of the Romanian and Chinese peoples, and the mutual esteem and respect that they mutually display, benefiting from the positive changes in each of our countries, as well as in the international situation—have evolved in an ascending way.

Indeed, these elements are also reflected in the joint declaration of Romania and the PRC that we are to sign tomorrow, which represents a exceptionally important political document. The declaration consecrates the principles at the basis of Sino-Romanian relations and establishes the domains, ways, and forms of cooperation, both on the bilateral and on international lvels, thus creating a favorable framework for the constant and long-term furthering of the friendly relations between our two countries.

We consider that the intensifying and diversifying of the political contacts, including those at the highest level, of our cooperation in the field of economics will doubtlessly contribute to us knowing each other better and to a correct perception of the phenomena taking place in the two countries, and, especially, to the finding of new ways to deepen bilateral cooperation.

As is only natural, during our talks we concentrated especially upon the economic aspects of our bilateral relations. We fully agreed that it is necessary that government bodies should give a new impetus and grant more efficient support to facilitate the conclusion of agreements between the interested companies in the two countries to engage in important commercial operations in mutually acceptable forms. We salute the presence in Bucharest of the representatives of a number of important Chinese companies and we hope that the direct relations and exchanges between the representatives of our companies and Chinese ones will intensify and will yield advantageous results for both parties.

The accords that are to be signed, the economic and commercial accord and the accord for the promotion and guaranteeing of investment, will enlarge the juridical framework for the broadening of Sino-Romanian commercial, economic, and industrial relations.

I am pleased to emphasize the interest of both parties to multiply exchanges in the field of scientific and cultural cooperation, and in press, sports, and other such fields. The signing of the new cultural accord, of the agreement between the science academies, and of the agreement in the field of education creates a better framework and favorable preconditions to confer on that important component of Sino-Romanian relations the importance it deserves. [end recording]

National Defense Minister Tinca Interviewed

AU1107200894 Bucharest CURIERUL NATIONAL in Romanian 4 Jul 94 pp 1, 3

[Interview with Gheorghe Tinca, Romania's minister of national defense, by Reghina Varvici; place and date not given: "We Want a Modern Romanian Army, Compatible With Other European Armies"]

[Text] [Varvici] Esteemed Mr. Minister of National Defense, you have recently returned from you visits to the United States and Portugal, and you have chaired the proceedings of the National Defense College seminar held in the city of Arad, entitled Dimensions of the National Security Doctrine in the Transition Period, which was attended by representatives of institutions in six counties of our country who are responsible for our national security and defense. Why did you consider it necessary for you personally to be present in Arad?

[Tinca] I would like to emphasize the fact that this institution, the National Defense College, is unique in Eastern Europe, and the evolution of transition toward what we want Romania to become can be perceived better with such an institution available. On the other hand, all of us have to contribute to our strategy of national defense, because peace and security are fundamental values and the feeling of security of any given nation is the bedrock for all other processes within society. Besides, we have to precisely assess and find answers to questions related to the dynamic evolution of the international situation. It is necessary, it is high time that major decisions are made regarding our national

security. We have the historic opportunity of implementing a policy, of establishing certain norms of international conduct to suit the national security interests of our country. You see, everyone is expecting assistance and security guarantees from NATO. Even if they do grant them, that is not the essential issue within the Partnership for Peace. We used to have such guarantees before World War II, but they all crumbled when the danger came, and when we had to resist those perils we made great efforts. It is a structure that guarantees similarity of political structures of certain countries, of their tendency toward democracy. The NATO ended up the victor in its confrontation with the Warsaw Pact because the principles upon which it relied were more solid. Guarantees do not represent an umbrella under which one can go to sleep. All the member countries of that alliance contribute to efforts intended to equip, to make them compatible. We have to continue to combine our defense efforts with the ones made to modernize. We have to know precisely what we have to do. I could also put it this way: On the occasion of such National Defense College sessions held throughout the country, we are lobbying in favor of clear-cut concepts, the seriousness of the military institution, and a better perception of its mission.

[Varvici] Mr. Minister, did the issue of the future reorganization of Romania's armed forces, perhaps of a model to be adopted, crop up during the session?

[Tinca] For a very long time now the Romanian armed forces have been organized according to a traditional Romanian model. Of course, it was influenced, to a certain extent, by the Warsaw Pact, because we were a member of that alliance. However, I would still say that even today the Romanian armed forces are organized in such a way as to suit Romanian needs. We want a Romanian army consisting of modern forces compatible with the forces of other European states. And we want a modern Romanian army, compatible with other European armies. To that end, we will reap from the experience of others whatever suits our purposes. Romania will be able to organize its own forces and deploy its units in the way it considers best. The only ones to decide on this will be the Romanian government and Parliament.

[Varvici] They are still talking about the individual program Russia might benefit from within the Partnership for Peace initiative.

[Tinca] Yes, but Romania, Hungary, Poland, and Bulgaria also benefit from individual programs. Russia will sign the fundamental document, which is identical to the one we signed. Russia wants to establish special relations with the United States and NATO. Everyone admits that it would be naive, unrealistic, and dangerous to believe that Russia is not and will not be a superpower. It would be short-sighted not to see that Russia is a nuclear power linked by strategic connections to other nuclear powers. This means there has to be some difference between them and non-nuclear states. The important thing, however, is that their special relations not contain elements that are detrimental to the other states. During our talks in Washington I also said that something ought to be done so that Russia's special relations do not foment certain suspicions. Because we have had such experience in our history. They intend to establish and develop those relations openly, according to the norms of openness. Nevertheless, such special relations have their limits and Russia will never be granted the right to veto.

[Varvici] If you agree, Mr. Minister, let us talk some more about you visit to the United States. Was it a success?

[Tinca] I would not discuss my visit in the United States in terms of whether it was a success or not. It was an important visit. It was important to us because relations between the Romanian Armed Forces and the U.S. Armed Forces are very dynamic ones. And, by our signing the Cooperation Memorandum, my visit resulted in setting down on paper the dynamic nature of our relations. I am aware of the fact that if I would list the results of that visit you would not be very impressed. There is nothing about military bases, nothing about the transfer of weapons, no military assistance, no billions, no future alliances. However, I am satisfied that we have begun to strengthen serious relations. Because one has to begin with the beginning: First we have to precisely assess the issue in question. Let us not forget that we come from different worlds. We exchanged views and appraisals regarding the situation in our region, the situation in Europe. I had the opportunity to talk with people dealing with issues of the Partnership for Peace. They believe we have the most elaborate conception regarding the Partnership for Peace, that we see it in the most mature way. This refers to the development thesis, meaning that all the countries in this region ought to consider their security within the context of their collective security. Furthermore, in one's relations with a security system, one should not solely ask for things, but also ask oneself what one could offer in return. I tried to convince them that Romania's policy of maintaining its internal stability also contributes to the stability of the entire area. I had some proof, too: Our relations with neighboring states, the accords we concluded with them, and our stance regarding the Yugoslav conflict. Romania's contribution is very important in the maintaining of the current climate of stability in this part of Europe. Romania has a very clear-cut and consequential position regarding the non-proliferation of nuclear arms and the backing of the efforts made to restrict or avoid the spreading of nuclear and mass destruction weapons.

[Varvici] Mr. Minister, what could you tell me about Washington's suspicions regarding chemical weapons?

[Tinca] Before 1989 we declared that we possessed no chemical weapons. And we don't. It is true. Indeed, there was scientific research, but we never reached a phase where we could have started an arms buildup program. Related to this issue, Americans and others have been suspicious. We have applied to be admitted to the Australia Group, which is a group working for the

non-proliferation of chemical weapons. The aforementioned suspicion cropped up in the context of their examination of our application. We reasserted that we did not and do not produce chemical weapons. That would require the spending of millions of dollars, which Romania could not possibly afford. I invited them to send experts, as they see fit, to convince themselves by personally inspecting our chemical research laboratories and production in the chemical domain. They are scheduled to come. If they don't believe us, let them send their experts and see with their own eyes. They made a passing comparison with North Korea, unlike whom we have left all doors and windows open so they can come and see for themselves.

[Varvici] Would you tell me some more about your visit to the United States?

[Tinca] The memorandum establishes the fundamental directions of cooperation between the Romanian and American armed forces. There are many programs. I realized that we were unable to talk to them, despite the fact that we are able to speak English. This occurred because we still operate with varying concepts. You can imagine, we used to be cut off from economic progress, so how could the situation be any better in the military field? Our military experts hardly ever left our country, and therefore our first priority now is to be able to comprehend their concepts. I invited Mr. William Perry to Romania and he will probably come by the middle of July.

[Varvici] How about you visit to Portugal?

[Tinca] I held talks with their defense minister and we signed a declaration stating the determination of the parties to cooperate and establish privileged relations; the declaration also has an appendix on concrete actions. Now we have to send them the draft of an accord which, after negotiations, is to be signed when my counterpart comes to Romania. I also conveyed our invitation to the chiefs-of-staff of their various military branches to come and visit Romania.

[Varvici] Esteemed Mr. Minister, during the Arad seminar I heard the following: "The East European countries might engage in a qualitative arms race on the basis of established arms limits." Would you elaborate on this?

[Tinca] The Vienna Convention on the Reduction of Conventional Military Weapons established certain limits. Whatever exceeds those limits must be cut. Therefore the need is becoming obvious for a qualitative improvement in armament. If the number of weapons is reduced in order to satisfy one's defense needs, one has to improve the technical performance of one's weapons. An improvement in quality becomes essential. As a consequence of this, all the countries are facing the problem of replacing the weapons they currently have with high-performance ones. This also coincides with their integration within Euro-Atlantic structures and is therefore a double necessity: Thus they comply with their national defense goal as well as achieve compatibility with their other partners.

All the countries of the former Warsaw Pact are facing the same problem. Considering that they are all facing the same problem, but they perceive their feeling of security and stability in a different way, the danger could surface that they might engage in a qualitative arms race. We believe the issue should to be viewed comprehensively: On the one hand, this could be detrimental to the general context of balance in the East European region and, on the other, considering those countries' current shabby economies, it would be a pity if their resources were wasted on a qualitative armament race. This is why non-selective integration within the new structures, equal for everyone, would adequately satisfy the security needs of all those countries and offer them sufficient guarantees so that the process of becoming compatible or updated would evolve in a balanced and rational way, according to the balance of forces and without the excesses of a qualitative arms race.

[Varvici] Our defense industry is rather ailing...

[Tinca] I would like to point out that only some of the industrial companies producing for the armed forces also belong to the Ministry of National Defense. The others, despite the fact that they are working for the military, belong to the Ministry of Industry. Our arms industry was conceived to satisfy our national needs and the foreign market, at a time when we had debts abroad and we wanted to pay them back. There are no such markets anymore and we do not have debts. Now we were left with that industry and we have to find new tasks for it. It is not my business to restructure that industry. I believe that some of them have no chance. The only question is whether they should be closed overnight or rather gradually. The essential thing is that their personnel be retrained, prepared for other branches. Those who will survive ought to be directed precisely toward what we really need. Any country must manufacture its own explosives, ammunition, and rockets for its own defense. We need aircraft and tanks. After we establish what we want to do, we have to embrace a technology, or rather we have to contact those who possess such technology. It is my belief that by such measures we will manage to maintain a very important, serious, and good-quality arms industry, with an enhanced capability to cooperate with others.

[Varvici] Who might those others be?

[Tinca] The only things we should consider is the price and the performance of such technologies, not their source.

[Varvici] Are you referring to Russia?

[Tinca] After all it is in Russia's interests to engage in a democratic process. Russia is a country with enormous resources which can exert its strength solely if it manages to modernize its technology. However, this can only be

accomplished if it undergoes a fundamental democratization. And if it manages to undergo democratization and observe the essential rules of democracy, I do not think it could remain hostile. The Soviet empire collapsed because it entered a crisis; individuals were deprived of the liberty to use their brains and think, and there was no technological progress. They could not continue to fuel the arms race because their strength weakened at the core and finally it collapsed.

[Varvici] All right, we scrap our old conventional weapons, the tanks and armored vehicles. But will the weapons we retain still be old?

[Tinca] We have to make our industry participate in the process of modernizing our army and making it compatible. One thing, however, should be remembered: We do not have active armed forces capable of keeping our arms industry going. It is precisely the other way round: We have an arms industry to suit the needs of a modern army. Our conception on this issue has to be very clear and we have to eliminate all hurdles barring access to technology. Related to this issue I can tell you that in the United States I met with representatives of five large companies and they exhibited the readiness to turn to good account the possibility of cooperating with us. Nevertheless, none of them came with a list to tell us: These are the things that you should buy! NATO means democracy and certain principles in international relations. Whoever chooses to keep out of it will not be validated by Europe as being a democratic state. And this would be a catastrophe: The feeling grows ever stronger that Europe is being divided again, that a new wall is being erected, and whoever stays outside of it will face devastating consequences for the economic and democratic processes going on in that particular country. I repeat, the Partnership for Peace means strategic conceptions, perceptions, and not just declarations.

[Varvici] So what will be the fate of our arms industry?

[Tinca] I do not think that anyone can expect the National Defense Ministry to use its austerity budget earmarked for equipment to purchase low-performance weapons solely because they are made in Romania. This is a problem for our industry. Besides, if our arms industry is restructured, the armed forces can help it raise its technology level by initiating cooperation ventures with large companies, by purchasing licenses, and so on. The army can do no more than that. It doesn't have the money. I know this is hard, but mere cosmetics would not suffice, the problem must be approached radically. Which does not at all mean that people have to be fired and factories closed. Under no circumstances!

[Varvici] Mr. Minister, do you have any doubts about whether we will know how to modernize ourselves?

[Tinca] I still doubt, a little bit. First we will have to learn how to do it.

[Varvici] Thank you.

Romania's Melescanu Interviewed About Treaty

AU1207100594 Budapest NEPSZAVA in Hungarian 9 Jul 94 p 1

[Interview with Romanian Foreign Minister Teodor Melescanu by Ferenc Kepecs in Warsaw; date not given: "A Basic Treaty Can Be Signed"]

[Text] [Kepecs] Is Romania ready to sign a basic treaty in which Hungary guarantees the borders and Bucharest guarantees the national minority rights?

[Melescanu] Yes. In the coming period, one of our major political goal will be to work out and sign a Romanian-Hungarian good-neighborhood treaty. Among other things, this treaty would stipulate that the two countries have no territorial demands toward each other, they respect each other's borders, and the national minorities in both countries fully enjoy their rights and human rights.

[Kepecs] Including the fact that the national minorities receive a certain autonomy?

[Melescanu] If you mean spiritual and cultural autonomy, I think this is naturally part of the concept on the basis of which it is possible to develop the rights of individuals belonging to national minorities. Yes, this is part of the agreement.

[Kepecs] In your opinion, will Hungarian-Romanian relations improve following the change of government in Budapest?

[Melescanu] It is very difficult to predict. However, in view of the fact that, during its election campaign, the Hungarian Socialist Party [MSZP] made the historic rapprochement with the neighboring countries one of its major slogans, one can expect this issue to be one of the foreign policy priorities of the new Hungarian Government. We hope that, in some way, all this will ease and improve our bilateral relations.

Iliescu Said Blackmailed Over KGB File

AU1107154894 Bucharest ROMANIA LIBERA in Romanian 6 Jul 94 p 3

[Roxana Iordache article: "A Possible Explanation for the Current Crisis Could Be Ion Iliescu's KGB File"]

[Text] We have learned that one of the secret services operating in Romania is in possession of Ion Iliescu's KGB file, with which it is carrying out political blackmail and is imposing the appointment of certain persons to some state positions. Thus, Ion Iliescu is a prisoner of his own past, a fact that keeps Romania in Russia's sphere of influence. Authorized people drew our attention to the fact that the current president could not have held the position of president of the communist students during his studies in Moscow without KGB involvement. We are expecting from the president an imperative and unequivocal answer to our question: is Ion Iliescu in

the service of the KGB? Considering that this issue is of capital importance, it greatly exceeds the competence of the presidential spokesman Traian Chebeleu. Therefore, the answer must be given by Ion Iliescu personally. It is imperative that Ceausescu's successor to the position of Romania's president should present a declaration of loyalty to the country in which he should affirm that he is (not) in the KGB's service and he should swear this on the Holy Bible, before the nation, live, on television at prime time. If he refuses to do it, this would be tantamount to admission, and then the case will pass to the jurisdiction of the Romanian Intelligence Service, provided that it is not precisely Mr. Magureanu who is the person who is....

Ganic Calls for Extending One-Month Truce

LD1107125294 Zagreb Radio Croatia Network in English 1203 GMT 11 Jul 94

[Text] The Bosnian deputy prime minister, Ejup Ganic, has given his support for an extension to the one-month truce in Bosnia, which expired over the weekend. He added that the UN special envoy, Yasushi Akashi, would arrive in Sarajevo on Thursday 14 July to confirm the agreement, but the UN has not confirmed this. He also said that the agreement includes an undertaking by the UN to do everything possible to stop ethnic cleansing in Banja Luka.

Demands Rights Guarantees

AU1107145394 Paris AFP in English 1357 GMT 11 Jul 94

[Excerpts] Sarajevo, July 11 (AFP)—Western nations which slapped an arms embargo on Bosnia effectively prevented the Bosnian government from defending itself, U.S. congressman Frank McCloskey said here Monday [11 July]. [passage omitted] the trouble will go on," he said. Asked about a peace map put forward in Geneva, Ganic, for his part, said the international community had to provide guarantees on implementation of human rights throughout the country before the government would agree to its partition. "When we clear this question with the international community, then we can talk about percentages," he said, speaking of the proposed partition deal which calls for the Moslem-Croat federation to get 51 percent of the territory, while the Bosnian Serbs got the remaining 49 percent. [passage omitted]

Akashi Announces Month Extension of Cease-Fire

AU1207105794 Paris AFP in English 1036 GMT 12 Jul 94

[Text] Sarajevo, July 12 (AFP)—Yasushi Akashi, UN special envoy to the former Yugoslavia, Tuesday announced a one-month extension to the Bosnia truce between government and Serb forces. "We expect full compliance with the agreement by all parties," he told the press here following a meeting with Bosnia federation vice-president Ejup Ganic.

Sarajevo Radio: Akashi Talks With Zubak, Ganic

AU1207105994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 12 Jul 94

[Text] As we have already reported, the talks of UN Secretary General special envoy Yasushi Akashi [word indistinct] with Bosnia-Herzegovina Federation President Kresimir Zubak and Federation's vice president Ejup Ganic have started in the Bosnia-Herzegovina Presidency building.

General De Lapresle, UN Protection Force Commander for the Former Yugoslavia, Sergio Di Mello, chief of the civilian sector for the former Yugoslavia, and Viktor Andreyev, chief of the civilian sector for Bosnia-Herzegovina, arrived in Sarajevo together with Akashi. As it was announced yesterday, they will discuss the prolongation of the cease-fire and (?definition) of the UN Protection Force mandate in this (?respect).

Karadzic Denies 'Speculations' on Changes

LD1107212694 Belgrade TANJUG Domestic Service in Serbo-Croatian 2048 GMT 11 Jul 94

[Text] Belgrade, 11 Jul (TANJUG)—There are no misunderstandings or disunity among the leadership of the [Bosnian] Serb republic, and speculations about the possible departure of President Radovan Karadzic are untrue, POLITIKA was told in Pale.

In its issue tomorrow POLITIKA will publish the following statement by Karadzic: "There are no misunderstandings among us, and all the guesswork about alleged forthcoming changes in the top leadership of the Serb Republic is a fabrication."

Denying the rumors, which originated from an article in the Russian daily NEZAVISIMAYA GAZETA, Karadzic said that the Serb republic's leadership is busy studying the peace plan offered by the Contact Group in Geneva.

"We are analyzing the plan because the whole package has to be reviewed and improvements added. The most important thing is (and we are unanimous on this) to solve the problem of Sarajevo and access to the sea. If that is resolved, we will also solve the problem of demarcation lines," Karadzic told POLITIKA.

Serbian Commander Vows To Stop Sniper Activity

LD1207000594 Belgrade TANJUG in English 2306 GMT 11 Jul 94

[Text] Belgrade, July 11 (TANJUG)—Bosnian Serb commander General Ratko Mladic vowed on Monday to put an end to isolated sniper activity in the Sarajevo area, a U.N. spokesman said. AFP quotes Mladic as saying in a meeting with U.N. commander for former Yugoslavia General [Gen.] Bertrand de Lapresle he was ready to sign an accord to that effect with Bosnian Moslems. The three-hour meeting in the Lukavica barracks near Sarajevo focused on the U.N. proposal for a one-month extension of the latest truce in Bosnia which expired on July 10.

Bosnian Serbs accepted the extension on Friday, but the Moslem- Croat federation has not followed suit. The U.N. spokesman, Major Rob Annink, said the Moslem government in Sarajevo was in favour of the initiative to stop isolated sniper activity in the city. He also said that Gen. Mladic had proposed during his talks with Gen. de Lapresle that all prisoners of war be released on August 1.

NATO Council Urges Warring Sides To Accept Plan

LD1107182794 Belgrade TANJUG in English 1813 GMT 11 Jul 94

["Pool" item]

[Text] Brussels, July 11 (TANJUG)—The NATO council on Monday called on all Bosnia's warring sides to respond favourably to the peace proposals offered them in Geneva last week. The council called on the warring sides to observe and extend the ceasefire, to refrain from any forms of combat action and to sign as soon as possible a cessation of all hostilities, thus making the first step in implementing a comprehensive solution to the crisis.

The Bosnian Moslems have been continually violating the one-month ceasefire which went into effect on June 10 by mounting an offensive on Serb territories in northern Bosnia. The council reiterated its willingness to take part in the implementation of a peace plan and backed the measures submitted within the Geneva plan which are to be undertaken in case that the warring sides accept or reject the latest Bosnia peace plan. Both positive and negative measures were proposed at the Geneva ministerial meeting for those who accept or reject the plan.

The council said undertaking these measures could mean NATO taking on new tasks in former Yugoslavia sought by the United Nations. The council also indicated that relevant NATO committees and the NATO military authorities would cooperate with the U.N. Protection Force (UNPROFOR) in developing and updating contingency plans within a preparation for carrying out possible decisions.

Consequently, the council had ordered NATO military officials to step up their cooperation with UNPROFOR in order to complete contigency plans. It had also decided to put NATO staff officers at UNPROFOR's disposal to help it plan its operations.

The NATO secretary-general is expected to inform the U.N. secretary-general about the alliance's intentions to convene a meeting of the group for planning and cooperation. The purpose of the meeting would be to coordinate plans for sending new contigents of peacekeepers to Bosnia-Herzegovina.

The NATO council had called on Russia to agree to direct consultations on the implementation of the Geneva proposals.

Serbs, Abdic's Forces Continue Attacks on Bihac

AU1107150394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 11 Jul 94

[Report by Mirza Sadikovic]

[Text] [Studio announcer] Just before the beginning of the newscast we received the latest report from Bihac.

[Sadikovic] Still unable to reconcile themselves to their latest defeats, Abdic's renegades and the chetniks have intensified attacks on the free territory of the Bihac commune. Throughout the night and today, there have been continual artillery and infantry attacks on Bihac and its surroundings, and on the Cazin and Buzim [word indistinct] areas.

In the course of the day, over 1,000 shells have been fired at this UN protected area. Many civilians have been wounded--a three-year-old child among them—while the material damage is again immense. In addition to this, Karadzic's chetniks keep attempting infantry assaults. On three occasions today, that is, in waves, they have attempted infantry breakthroughs in the region of Grabez and Hasin Vrh. It is obvious that these attacks on Bihac have been ordered by war criminal Abdic, [words indistinct] who are also attacking the outskirts of Cazin for all they are worth.

[Leader of Krajina Serbs] Martic's chetniks are also active today. [Words indistinct] to the region of [name indistinct] from where they are shelling the Cazin villages of (?Pjanic), [name indistinct], Krivaj, and Viskovac. All in all, the offensive of the joint aggressors against the free Bihac territory continues, which makes Abdic's latest intentions quite clear. This has been Mirza Sadikovic reporting from Bihac for Radio Television Bosnia-Herzegovina.

Shelling, Infantry Attacks

AU1207105294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 12 Jul 94

[Report by Mirza Sadikovic from Bihac]

[Text] [Word indistinct] of Fikret Abdic only in a vassal relationship, and the one who is pays pretty penny for the killing of his Bosniak people in this part of Bosnia-Herzegovina [words indistinct] why he is trying to resolve the problem of [word indistinct] by himself.

Thousands of shells were fired overnight at the defenders' positions in Grmusko-Srbljanski Plateau and Grabez Plateau. Howitzers, tanks, mortars of all calibers [words indistinct] and the targets have been also the settlements in the Cazin Commune and in a part of the Bosanska Krupa battlefield as well (?Budin) and its surroundings.

(?The units) of the war criminal Fikret Abdic have been attacking all this time all lines of separation, especially in the region of Vidkovac, Cajici, [word indistinct], and Pecigrad, where they have attempted infantry breakthroughs in waves.

Inter-Muslim Clashes

LD1107155494 Belgrade TANJUG in English 1541 GMT 11 Jul 94

[Text] Petrovac, July 11 (TANJUG)—Inter-Moslem warfare between the Sarajevo government and the autonomous province of western Bosnia increased Monday, said Radio Velkaton in Velika Kladusa. Velika Kladusa is a stronghold of Fikret Abdic, a former member of the Moslem presidency of Bosnia-Herzegovina and bitter opponent of Bosnian Moslem leader Alija Izetbegovic. Local Moslems led by Abdic proclaimed the autonomous province of western Bosnia in September 1993. They announced that they opposed Izetbegovic's policies and accused him of being a warmonger. Izetbegovic sent loyal troops to western Bosnia to crush the autonomy movement by force.

Radio Velkaton said Monday's heaviest clashes took place around the villages Krivaja and Skokovo. The radio said Abdic's troops had made a great advance that caused many of the government troops to switch sides and join Fikret Abdic's forces. The radio said Abdic's forces on Sunday evening and early Monday had taken strategic hills around the town of Cazin, the stronghold of Izetbegovic's forces.

Radio Cazin, which is controlled by the Sarajevo government, reported that Izetbegovic's forces were winning. Both radio stations reported many dead and wounded on both sides, but gave no casualty figures.

Izetbegovic Forces Attack

LD1107204894 Belgrade TANJUG in English 2032 GMT 11 Jul 94

[Text] Petrovac, 11 July (TANJUG)—Troops loyal to hardline Moslem leader Alija Izetbegovic on Monday launched a strong infantry attack against the western Bosnia Moslem army of moderate Fikret Abdic. Western Bosnia Radio Velkaton reports that Izetbegovic's troops are trying to recapture the approaches to Cazin wvich they lost on Sunday. The radio says that Abdic's army has successfully repelled all attacks.

Abdic, Izetbegovic's arch-rival and former member of the Bosnian Moslem presidency, proclaimed autonomy fo western Bosnia in September of 1993 in protest against Izetbegovic's war-mongering. Izetbegovic responded by sending troops to western Bosnia to quell what he saw as an 'armed rebellion'. Radio Cazin loyal to Izetbegovic on Monday says that the situation along the lines of separation is very tense and that powerful explosions can be heard in and around Bihac. Both sides claim to have inflicted heavy casualties on the enemy, but without giving figures.

UN 'Concerned'

AU1107152594 Paris AFP in English 1456 GMT 11 Jul 94

[Text] Sarajevo, July 11 (AFP)—Heavy fighting, involving infantry assaults, was taking place Monday [11 July] in the western Bosnian Bihac enclave between government and Serb forces, a UN spokeswoman said here.

Fighting flared in the late morning on the Grabez plateau, to the east of the town of Bihac, with reports speaking of very heavy gun and machine gun fire, along with mortar shelling, Claire Grimes said.

UN forces observing from a distance also reported fighting in the Skokovi pass area, to the north of Bihac.

A spokesman for the French UN battalion stationed in Bihac, Jean- Francois Philippe, had earlier said that Serbs and Moslem rebels had launched a dawn attack on Bosnian Government troops in the enclave.

Philippe said Serbs fired on the industrial zone of Bihac before attacking from the southeast to try and take a hill about three kilometres (two miles) from the town.

At the same time the dissident Moslems, who control the north of Bihac enclave, launched an offensive around Terzac, some 20 kilometres (12 miles) north of Bihac town, Philippe said.

The leader of the Moslem rebels, Fikret Abdic, declared his region autonomous from Sarajevo in September 1993.

"We are concerned by the increased level of fighting along both confrontation lines," according to Zagreb UNPROFOR spokesman Paul Risley.

Croatian Serbs Deny Involvement

LD1107162394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1238 GMT 11 Jul 94

[Text] Knin, 11 Jul (TANJUG)—The Serb Krajina Army is not taking part in any fighting around Bihac and has not fired a single bullet in the inter-Muslim confrontation, the Main Headquarters of the Serb Krajina Army said in a statement today. The Main Headquarters of the Serb Krajina Army confirmed successes of Abdic's forces in the last 63 hours of fighting, stating that the forces of the autonomous province of western Bosnia had captured positions in the Izacic-Kamenica direction, three kilometers from the center of Bihac.

Pale TV Complains about Belgrade TV Action

LD1107163594 Belgrade TANJUG Domestic Service in Serbo-Croatian 1534 GMT 11 Jul 94

[Excerpts] Sarajevo, 11 Jul (TANJUG)—The editorial board of [Bosnian] Serb Television today issued a statement in reaction to the fact that its "Seven TV Days" bulletin made in Pale—the only program produced by Serb TV—is no longer broadcast on Belgrade TV. Belgrade TV previously rebroadcast the program on a regular basis.

"We feel obliged to inform the public that we have prepared and broadcast the program on our TV on a regular basis, but for reasons unknown to us, Serbian TV has not rebroadcast it. We have not received any explanation, not even to tell us not to make the program any more," the statement says. [passage omitted]

The statement adds that the launching of a single media space of all Serb lands was agreed with Milorad Vucelic, director general of Serbian Radio-Television, before the last elections in Serbia. Under the agreement, [Bosnian] Serb TV was to assume some of the obligations of former Sarajevo TV. [passage omitted]

EU Monitoring Mission Vehicle Blown Up

LD0907141794 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Jul 94

[Text] A vehicle belonging to the EU [European Union] monitoring mission was blown up in the suburb of Dubovac last night. Karlovac deputy prefect Antun Kraljevic made a statement in connection with the explosion expressing regret over the incident, saying it had nothing to do with the official stand of the Croatian authorities. He condemned the incident and requested a thorough investigation.

Croat-Muslim Agreement on Routes to Bosnia

AU1107201594 Zagreb HINA in English 1919 GMT 11 Jul 94

[Unattributed report: "Joint Moslem-Croat Commission Meets in Gornji Vakuf"]

[Text] Split, 11 Jul—The British UN command, based in Divulje near Split, told HINA on Monday that the joint Croat-Muslim commission signed an agreement on opening two new routes for central Bosnia. The agreement was signed at the meeting chaired by Brigadier Andrew Ridgeway, UN commander of Sector South-West in Bosnia-Herzegovina, in Gornji Vakuf this afternoon and the routes in question are the Travnik-Vitez-Busovaca and Kiseljak-Gromiljak- Fojnica roads. It was also agreed that draft-age men should be allowed the freedom of movement by local authorities. The meeting considered a proposal that Croatian Defense Council and Bosnian Army troops should be withdrawn from the front lines to barracks or training grounds by mid-August. As an interim measure, they agreed to reduce the number of soldiers on the front line from 15 to 6 as of 15 July. The British UN Command said that both Croat and Muslim sides had said they could pull their troops out of Mostar, which would be placed under European Union administration as a demilitarized city.

Refugees Continue Protest Against UNPROFOR

AU1107180594 Zagreb HINA in English 1627 GMT 11 Jul 94

[Unattributed report: "Croatian Refugees Continue Peaceful Anti-UNPROFOR Protests"]

[Text] Osijek, July 11 (Hina)—The Association of Refugees of Croatia said in a statement on Monday [11 July] that during peaceful protests against the inefficiency of the UNPROFOR mission in Croatia refugees had caused not a single incident because the action was not aimed against peace-keepers as individuals but against UNPROFOR as an institution. Concerning the blowing up of a EU Monitor Mission vehicle in the Karlovac area Friday night, the refugees condemned and dissociated themselves from that "terrorist act."

Owing to mounting pressure from relief agencies to allow passage for their convoys to Bosnia-Herzegovina, the Association's executive committee will meet in Zagreb on Wednesday to consider the issue. Today, refugees continued blocking UN check-points at Zemunik and Jasenica in the hinterland of the Adriatic port of Zadar. Since Saturday morning, about 20 UNPROFOR vehicles had been denied passage. Refugees in Split County also continued their protest at the Potravlje check-point on the Sinj-Vrlika road.

UN Official Blames Government

LD0907160894 Belgrade TANJUG in English 1517 GMT 9 Jul 94

[Text] Zagreb, July 9 (TANJUG)—A U.N. Protection Force (UNPROFOR) official has accused the Croatian Government of backing the refugees who have been keeping U.N. troops in Croatia under blockade since July 1.

Croatian papers Saturday quote Philip Corvin, coordinator for civilian affairs in U.N.-protected Sector East, as demanding from his Croatian counterpart Branimir Glavas that the blockade, in which he said Croatian authorities were involved, be lifted immediately.

Four areas in the former Yugoslav republic of Croatia were placed under U.N. protection in the spring of 1992.

These areas are predominantly populated by Serbs, who have proclaimed their own republic in their ancestral lands in Croatia in response to Croatia's violent secession from former Yugoslavia and trampling on their national rights.

Glavas is quoted by the press here as dismissing Corvan's accusations as groundless, explaining that if the government had organised the blockade, there would have been thousands, not merely 50, refugees blocking the roads.

The authorities will, however, tolerate the refugees' protests, as they threaten neither the safety nor the property of the U.N. personnel, he added.

UNPROFOR officials said late Friday, however, that UNPROFOR was running out of food and fuel because of the blockade of all five border checkpoints in Sector East.

The association of Croatian refugees from the U.N. protected areas has mounted the blockade of UNPROFOR's checkpoints and facilities with the explanation that UNPROFOR is not working towards what Zagreb sees as the "reintegration of these areas into Croatia's constitutional system."

UNPROFOR has been deployed to Croatia as a buffer, without the authority to interfere in political disputes.

The U.N. secretary-general's spokesman Joe Sills Thursday accused Croatian authorities and police of supporting the protesters by giving them transport and other services.

Defense Council Discusses Protest

AU1107152794 Zagreb HINA in English 1430 GMT 11 Jul 94

[Unattributed report: "Session of Defence and National Security Presidential Council"]

[Text] Zagreb, July 11 (Hina)—A session of the Presidential Council of Defense and National Security was held today under the chairmanship of Croatian President Franjo Tudjman. According to the Presidential office, the Council discussed some foreign policy issues, particularly preparations for a visit of Turkish President Soleyman Demirel to Croatia. The Council also discussed the situation in connection with displaced persons' peace protests against UNPROFOR's inefficacy. Expressing full understanding for justified dissatisfaction of displaced persons who have been waiting for already three years to return home, the Council calls on competent authorities to continue intensive diplomatic activities which would lead to the implementation of UN Security Council resolutions, especially resolutions on the control of Croatian borders (769) and return of displaced persons and restoring of the Croatian sovereignty in all occupied areas. In connection with the dissatisfaction of displaced persons, the Council also obliges competent authorities that they should ensure conditions in order to provide unrestricted movement for UNPROFOR vehicles and personnel, said the Presidential office.

Council Urges Refugee Return

LD1107154194 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 11 Jul 94

["Statement from the president's office"]

[Text] The 47th session of the Presidential Council of Defense and National Security was held today with President of the Republic Franjo Tudjman in the chair. The council discussed some foreign policy issues, especially preparations for the visit to the Republic of Croatia by Turkish President Suleyman Demirel.

The council also reviewed peaceful protests by refugees against the mandate of the UN Protection Forces [UNPROFOR]. Expressing complete understanding for the dissatisfaction of the refugees who have not been allowed to return to their homes for three years now, the council called on the relevant state bodies to step up diplomatic activity to enhance the implementation of Security Council resolutions, primarily those concerning the control of Croatia's borders, the return of refugees, and the establishment of Croatia's sovereignty over all occupied areas. In connection with the refugees' protests, the council also charged the relevant state bodies with securing conditions for the normal passage of UNPROFOR vehicles and personnel to enable them to fulfill their tasks.

Valentic on 'Advance' in Piran Bay Border Issue

AU0807194294 Zagreb HINA in English 1811 GMT 8 Jul 94

[Unattributed report: "Step Forward in Croat-Slovene Talks, Says Premier Valentic"]

[Text] Brdo kod Kranja, July 8 (Hina)—Two delegations of the Croatian and Slovene governments, led by premiers Nikica Valentic and Dr. Janez Drnovsek, met today in the Slovene town of Brdo kod Kranja.

After seven-hour meetings of the committees on certain open issues behind the closed doors Croatian Premier Valentic assessed the talks to be an important step forward, whereas Slovene Premier Drnovsek marked them to be the decisive advance in the regulation of the relations between the two countries. Premier Valentic said that a significant advance had been made in the crucial problem of borders in the Bay of Piran. The variants of the solutions reached so far will be considered by the expert teams until 22 July when delegations of the two governments are scheduled to meet again.

The two countries' ministers of finance will keep in touch by the time in order to solve the issue of the Ljubljana bank's debt to the Croatian savers in its branch bank in Zagreb.

In connection with the question of the ownership of the Krsko Nuclear Plant Croatian Premier expressed hopes that it should not be difficult to find a solution to the issue. This nuclear plant was built together by Croatia and Slovenia while being the two republics of former Yugoslavia, on the territory of Slovenia.

Both Valentic and Drnovsek pointed out the importance of the reached agreement that Croatia and Slovenia, as successors of the internationally valid Osimo Accords and the Rome Agreement, should pay jointly (or place on deposit) the rest of the compensation for the property of optants from Istria after the Second World War. The total amount of the compensation was determined in 1983 when the agreement on it was signed in Rome by the former Socialist Federal Republic of Yugoslavia (SFRJ) and Italy.

HDZ Leader Says Army Will Liberate 'Homeland'

LD0907211794 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 9 Jul 94

[Report by Ante Aracic from Imotski]

[Text] The Imotski town committee of the ruling Croatian Democratic Union [HDZ] held a forum today under the title "Croatia Today." The forum was attended by many party officials, Jure Radic, the HDZ secretary general and head of the office of the president of the republic, and Zarko Domljan, the vice president of the Croatian Assembly.

Jure Radic stressed that Imotski holds an honorary place in the war for the homeland because of the many victims it suffered. He also conveyed greetings from President Tudjman. This region suffered a lot under the old regime, as did the whole of Croatia. Now it faces victorious times and a bright future. UNPROFOR [UN Protection Forces], which initially played an important role, has done nothing for two years to justify its role. Consequently, this is its last mandate. Simply, UNPROFOR must deploy along Croatia's borders or leave Croatia. If we cannot liberate all parts of the Croatian homeland by peaceful means, the Croatian Army will do it. This is our debt to everyone who laid down their lives, and to one quarter of million of our refugees.

Talking about relations with Bosnia-Herzegovina, he said that the Washington agreement is a result of the HDZ's policy, which wants to preserve the Croatian people in the region. The federation of Bosnia-Herzegovina and a confederation with Croatia will preserve more than 90 percent of Croatian areas in Bosnia-Herzegovina. This will not in any way diminish the sovereignty of the Croatian state, and we will get a lot, Jure Radic said.

Granic Rejects 'Confederalization' With Krajina

AU1107175194 Zagreb HINA in English 1656 GMT 11 Jul 94

[Unattributed report: "(Con)federalization of Croatia Unacceptable, Granic Says"]

[Text] Zagreb, 11 Jul—Croatian Foreign Minister Mate Granic on Monday received president of the U.S. Carnegie Endowment for International Peace Morton Abramowitz.

Abramowitz has arrived in Croatia to see how this foundation could further contribute to restoring peace and stability in the region.

Speaking of possibilities of ending the war in Bosnia-Herzegovina and peacefully reintegrating the occupied territories into Croatia's constitutional and legal system, Granic stressed the Croatian view that both problems should be solved simultaneously. He added that Croatia supported proposals put forward by the international "contact group" and that it would do everything in its power that the Washington agreement was implemented as soon as possible and the Bosnian federation was gradually established. Concerning the reintegration of the Serb-occupied areas, Granic said Croatia was willing to continue negotiations with local Serb authorities and assure them rights according to the highest international standards, but emphasized that Croatia could not agree to a federalization or confederalization of the country. In conformity with its efforts to solve the problem in a peaceful manner, Croatia will demand the implementation of UN Security Council Resolution 769, i.e., the deployment of UN peace-keepers on the Croatian borders with Yugoslavia (Serbia and Montenegro) and Bosnia-Herzegovina, Granic stressed.

Italian Invitation to RSK Officials Protested

LD0907145594 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Jul 94

[Text] The Embassy of the Republic of Croatia in Rome delivered to the Italian Ministry of Foreign Affairs a protest note because of an invitation sent by the chairman of the regional group of deputies of the Italian Social Movement/Alleanza Nazionale, together with a group of five deputies, to [Serb Krajina leader] Borisav Mikelic to visit Italy.

The letter says that the Italian hosts will do everything in their power for the sovereign republic of Krajina to be recognized as an international entity and that the real state of affairs ought to be recognized, as is the case with the Turkish Republic in Cyprus.

The protest note of the Croatian embassy says that such activities by responsible leaders of one of the Italian ruling parties are at odds with the official policy pursued by the Italian government and clear statements made by Italian Minister of Foreign Affairs Antonio Martino in Zagreb on 27 June regarding recognition and the respect for Croatian territorial integrity, and friendly and good-neighborly relations between Croatia and Italy.

It is clear that the action by Alleanza Nazionale representatives, irrespective of their level, refutes, and thus damages, the official policy pursued by the Italian Government and the Italian Ministry of Foreign Affairs. The above-mentioned invitation is in contravention of a number of crystal-clear UN Security Council resolutions and the policy of the European Union of which Italy is a part, and the stands of the international community regarding the territorial integrity of the Republic of Croatia, the note of the Croatian embassy in Rome says.

RSK's Mikelic Rejects Remarks by Tudjman

LD1007142594 Belgrade TANJUG Domestic Service in Serbo-Croatian 1320 GMT 10 Jul 94

[Excerpts] Kragujevac, 10 July (TANJUG)—The prime minister of the republic of Serb Krajina [RSK], Borisav Mikelic, told Radio Kragujevac [in Serbia] today that General Tudjman's recent speeches aimed at preparing his soldiers and the HDZ [Croatian Democratic Union] leadership for possible attacks on the RSK in the near future.

In the program, Hallmark of Time, he stressed that those who tore Yugoslavia apart—primarily Tudjman and Mesic—are afraid that they will lose the little banana republic of Croatia. [passage omitted]

Asked to comment on Gen Tudjman's speech in Osijek the day before yesterday, when he attacked the leadership of the Serb Krajina, and especially prime minister

Mikelic, the RSK prime minister said that he was going to travel to Italy and do everything to focus the discussion with Italian representatives on all economic issues, including the international recognition of the RSK. I will meet with them in any Italian town.

"I am fighting for the interests of the Serb people and no one can prevent me from holding talks on the future of our people. We will invite the Italians to visit us too. The fact that Tudjman said that I have my people in the Slovene parliament and the Croatian assembly, and that I have meetings with them, is proof that it is not for nothing that I am the prime minister of the RSK," Mikelic said.

Martic Writes to Akashi on Talks With Croatia

LD1107094894 Belgrade TANJUG Domestic Service in Serbo-Croatian 0907 GMT 11 Jul 94

[Text] Knin, 11 Jul (TANJUG)—Milan Martic, president of the republic of Serb Krajina [RSK], today sent a letter to Yasushi Akashi, the UN secretary general's special envoy, expressing the RSK's interest in further negotiations with Croatia on economic issues.

The office of the RSK president reports that in his letter, Martic stresses the need to end as soon as possible the current deadlock in the negotiating process, and suggests that activities regarding the organization of a meeting of negotiating teams should be carried out by Yasushi Akashi and the United Nations.

The RSK president, according to the statement, expresses his belief that Akashi's "well-proven impartiality" will be the best impetus for a successful resumption of the deadlocked negotiating process.

Tudjman in Talks With Owen, Stoltenberg

LD1107192694 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 11 Jul 94

[Text] This evening President Tudjman received international peace mediators David Owen and Thorvald Stoltenberg. Following the talks, Lord Owen said that the most important condition for resolving the problems in Croatia is a speedy resumption of talks.

Stoltenberg said that they had not talked to President Tudjman about the mandate of the UN Protection Forces [UNPROFOR] in Croatia. He stressed that UNPROFOR expects support in its efforts to help the people of Croatia. If the Croatian authorities are not satisfied with UNPROFOR's activity, UNPROFOR can leave, Stoltenberg said.

Discussing the Contact Group's proposal on the maps for the division of Bosnia-Herzegovina, Owen said that he believes that the sides at war understand the importance of the meeting scheduled for 19 July. The international community has seen its initiatives go down the drain too often, and it seems that it has now had enough. There is no use in threatening, and everything has already been said in Geneva about the measures the international community would take against those who do not accept the plan, Owen said.

Tudjman Rules Out Meeting With Milosevic

AU1207112494 Zagreb HINA in English 0929 GMT 12 Jul 94

[Unattributed report: "Croatian President Holds a Press Conference (1)"]

[Text] Zagreb, July 12 (HINA)—Croatian President Franjo Tudjman told a press conference in Zagreb on Tuesday morning that a meeting with Serbian President Slobodan Milosevic "cannot be held before Milosevic, Serbia and the Yugoslav government recognize Croatia within its internationally recognized borders." He added that such a meeting could be held if there were guarantees that Croatia would be recognized at that meeting. Asked to comment on refugees' protests against UNPROFOR [UN Protection Forces], Tudjman replied that the refugees' discontent was justified. He recalled that there were a quarter of a million refugees in Croatia living in poor conditions for three years. UNPROFOR has not implemented the provisions of the Vance plan and UN Security Council Resolutions, in particular Resolution 769 regarding the control of the border between Croatia and Serbia and Resolution 871 which envisages the gradual return of refugees and gradual reintegration of occupied territories into Croatia's constitutional and legal system, he said. Tudjman stressed that the Serbs were to blame, and not UNPROFOR, because they obstructed the implementation of the Vance plan and the UN resolutions. "We, on our part, will discuss this problem with major international factors and the United Nations, and in any event, as we have said, we shall no longer be willing to extend the UNPROFOR mandate unless it provides authority and means to implement the resolutions," Tudjman said.

Tudjman Talks With Kinkel's Special Envoy

LD1107223694 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 11 Jul 94

[Text] Republic of Croatia President Franjo Tudjman has received (Michael Steiner), German Foreign Minister Klaus Kinkel's special envoy, who was accompanied by German Ambassador in Croatia Horst Weisel. They discussed the current situation in Bosnia-Herzegovina and in the occupied Croatian areas, following the Contact Group's proposal and the G-7 meeting in Naples.

The talks were attended by Mate Granic, the deputy prime minister and foreign minister; Deputy Foreign Minister Ivo Sanader; Ambassador Miomir Zuzul, head of the Croatian permanent mission at the United Nations in Geneva; Branimir Jaksic, deputy director of the president's office; and Zeljko Matic, the president's foreign policy adviser.

Tudjman Appoints New Minister of Finance

AU1107162994 Zagreb HINA in English 1524 GMT 11 Jul 94

[Unattributed report: "Zoran Jasic Appointed Ambassador to European Union"]

[Text] Zagreb, July 11 (Hina)—Croatian President Franjo Tudjman relieved Zoran Jasic of his duty as finance minister because he is to take up a new post. Bozo Prk, former deputy finance minister, is newly appointed finance minister, said the Presidential Office on Monday [11 July]. Zoran Jasic is appointed Croatian ambassador extraordinary and plenipotentiary to the European Union in Brussels by President Tudjman's decision.

Rating of Croatian Peasant Party Climbs

94BA0326A Zagreb VJESNIK in Serbo-Croatian 9 Jun 94 pp 4-5

[Article by Branko Podgornik: "The HSS Thought About the Sowing and the Harvest"]

[Text] *The HSS [Croatian Peasant Party] is a party that many people want to gain as a partner or to control, because over time it has become a mirror of the unfulfilled intentions of certain other parties, but the HSS's leadership is behaving mysteriously and quietly, which is in accordance with that party's proverbial self-abnegation and calmness.*

For two years now, since the HSS unexpectedly became the third strongest party in Croatia, many people have been troubled by the secret of its success and by the question of whose side it is on—whether it is more inclined toward the government or the opposition. Specifically, it is felt that the HSS is a "good match," and that in the near future it will not be possible to imagine the creation of a coalition government without it, either at the state or the local levels.

It seems that the latest frictions that have affected that "party without scandals" have their origin in the question of whom the HSS will support.

Recently about 50 dissidents from the party, headed by Ante Babic and Josip Stojanovic, founded a negligible party faction in Kasina near Sesvet, under the name of the "State-Building Initiative." They are criticizing the party leadership, headed by Drage Stipic, for conducting an "anti-Radicev and Stalinist policy," and for preventing the rejuvenation and modernization of the party.

Between the Left and the Right of the HDZ

The creation of the "State-Building Initiative" within the HSS, an initiative whose name and vocabulary is more reminiscent of the Croatian Rights Party than the Radicevists, coincided with upheavals on the Croatian political scene, the epicenter of which lies in the Croatian Democracy Community [HDZ].

Observers were recently interested in whether the HSS was more on the side of the opposition or the HDZ, but today they are supplementing that doubt with a new question: Whether the HSS is closer to the "right wing" of the HDZ or to the "left wing," which recently left the ruling party. Specifically, circles within the HSS's "State-Building Initiative" are accusing the party's leadership of being under the influence of Josip Manolic, while the HSS leadership is claiming that the "State-Building Initiative" is under the influence of the ruling party's "right wing," the one that "wants to destroy" the HSS.

Many people think that in those frictions, the HSS is behaving mysteriously and quietly, which is in accordance with that party's proverbial self-abnegation and calmness. Many people are therefore wondering how it managed to win 12 percent of the votes in the February 1993 local elections. Many observers claimed that the HSS did not have a future and definitely saw it as part of the past. In spite of that, after half a century, it has managed to renew itself, surmount the initial factional conflicts, and, headed by pre-war HSS member Stipic, to grow into an essential political partner in the Croatian state.

In order to understand at least partially the "incomprehensible secret" of the success that a traditional party like the HSS has achieved in modern Croatia, one should perhaps recall Tolstoy's story "The Master and the Servant." One evening a Russian merchant intended to buy a grove from a landowner in a neighboring village. The impatient merchant rushed to conclude the deal that very evening at any cost, and ordered his faithful servant to prepare the sleigh, even though the weather was getting bad. Soon a blizzard began, in which the master and the servant became lost, wandered in a circle, and in the dark night reached the brink of a ravine, where snow covered them. They did not even know that they had come within reach of their goal, the neighboring village. In the morning, the villagers dug out the sleigh. The master was dead, frozen, but the servant was still alive, although with frozen fingers.

How To Align Oneself With the Unreasonable Ones

The master could be compared with an unrestrained ruler, and the servant with a man of the people who follows the master in his adventure, but with ingrained caution. One might say: Masters come and go, but the people remain.

The HSS has traditionally expressed the aspirations of the people and its wisdom, but adventuristic rulers on the left and the right have suppressed it. The rulers have disappeared, but they have left serious scars on the people. Although half a century has passed, and in the meantime Croatia has created its own state, the HSS has been left with a certain suspicion of many politicians in power and in the opposition.

Perhaps that suspicious attitude is the reason why the HSS has avoided openly committing itself during the past two years, even though some situations demanded

it. It is interesting, however, that through that ingrained caution the HSS, in its own way, expressed the natural caution of the people who support it.

Specifically, when there is a deep schism in front of the Croatian people between two political groups, usually the regime and the opposition, all observers are asked to commit themselves to one side or the other. An ordinary person, however, usually avoids committing himself, and often thinks that those are the conflicts of the "wise men in power," perhaps comprehensible to them, but not to the average person, and so it is better for him not to "interfere in government matters."

After all, why should an ordinary person commit himself to sides if they are unreasonable and fanatical, and if it seems natural to him that everything in Croatian politics should be resolved through agreement? For example, many people recently observed with concern and despair the tension between the ruling and opposition parties in the Assembly, without understanding what the dispute was all about. Even if they understand what is going on, many cautious people would rather pretend to be naive and state that they do not understand anything. Finally, neither the HDZ representatives nor the opposition representatives have succeeded in convincing the little man that that "incomprehensible conflict over the rules of order" really affects all TV viewers, and that afterwards things will be better for everyone. Many observers of the events in the Assembly have been left with a bitter impression of the power struggle, from which "they do not benefit at all."

Loans for "Little" People

The little people also know from experience that from time to time a power struggle breaks out, but they believe that a young state and regime do not exist for their own sake, but rather serve the need for things to be better for the people, while politicians have to reach agreement and try to solve Croatia's problems. Consequently, those people understand Josip Pankretic quite well when he enters the high-flown political disputes with the demand that the authorities ensure all the necessary conditions for the sowing or the harvest, because they consider that a vital issue that is close to home.

The "incomprehensible secret" of the HSS's success, not just among peasants, perhaps lies in the fact that high-level Croatian politics no longer gives the impression that it is dealing with the people's needs, but rather with some other interests. It is understandable that the state is still being created and the war is not completely over, but people notice that the emerging political elite nevertheless has enough time for its own profits. For example, they have created the opportunity for themselves to obtain management loans in order to buy enterprises and become rich Croats who will allegedly make possible a rich Croatia. Nevertheless, they have not made possible loans that peasants could invest in agricultural production and machinery, or that could support the little man in becoming the master of his own fate as well. The HSS itself, interestingly, encouraged the establishment of Agroobrtnicka Banka, which would provide such loans to the "little" people.

Admittedly, that problem does not affect just the HSS, but also the majority of Croatian people and parties. Many politicians in the ruling circles who came from the people have made it possible for themselves, in the past four years, to become the new political elite. Some of them would now like the HDZ to be configured finally as a national and Christian democratic party, but personally they no longer have the real strength for that.

It therefore seems that the HSS—which has expanded at the expense of the HDZ, especially in northern Croatia—is a party that many people would like to gain as a partner or to control. The HSS, in fact, has become over time a mirror of the unfulfilled intentions of certain other parties. There already is a real popular and Christian democratic party in Croatia: Many people do not notice that, and the party itself is not emphasizing it.

Parliament To Vote on Confidence in Government

AU1207112194 Skopje MILS-NEWS in English 12 Jul 84

[Unattributed report: "Voting on Confidence in Government"]

[Text] Macedonian Parliament President Stojan Andov scheduled a parliament session for Thursday, 14 July. The agenda will consist of only one point: Voting on confidence to the government. At it yesterday coordinating meeting, the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] deputy group brought the decision to use its constitutional right, stated in Article 92, to ask of the parliament president to put the question of trust to government on the agenda. VMRO-DPMNE claims the current Government has turned into a generator of crisis in the country. The latest PDP-NDP [Party for Democratic Prosperity, People's Democratic Party] act of leaving the parliament also leaves the government without a majority in its highest law-making body, VMRO-DPMNE points out, adding this is a classic example of government crisis. The party calls on to government to submit a resignation. State and national interests call for establishment of transition government, which will enable free elections in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM].

Slovene Defense Minister Meets With Gligorov

AU1107153794 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 11 Jul 94

[Text] A Defense Ministry delegation led by Defense Minister Jelko Kacin is visiting Macedonia [the Former Yugoslav Republic of Macedonia—FYROM]. Macedonian President Gligorov in the talks with the delegation emphasized that he was entirely in favor of broadening the cooperation between the states in all spheres, including the exchange of military units on the territories of both countries, the possibility of joint military maneuvers in the future, and exchange of military attaches.

The delegations primarily discussed the current situation in Macedonia. They also agreed to coordinate actions in the efforts to lift the arms embargo on Slovenia and Macedonia. The delegations also emphasized that cooperation in the military sphere would strengthen the defense capacity of both countries and could contribute toward the preservation of peace in this part of Europe. Defense Ministers of both countries Kacin and Popovski will be signing a general agreement on defense cooperation between Slovenia and Macedonia this afternoon.

Progress of Census Cited; Extension Possible

LD1107164494 Belgrade TANJUG Domestic Service in Serbo-Croatian 0908 GMT 11 Jul 94

[Text] Skopje, 11 Jul (TANJUG)—According to incomplete results of the Republican Statistics Institute of The Former Yugoslav Republic of Macedonia, by yesterday, the fifth and last day of the extended early census, about 1.7 million of the 2.3 million believed to be currently living in the republic had taken part in the census.

By yesterday the census had been completed in the Kicevo and Kumanovo municipalities and in Skopje's districts of Karpos, Kisela Voda, and Centar, according to official claims. During the official census—from 21 June to 5 July—the census was completed in 24 of 34 municipalities. The census is not yet completed in five municipalities: Tetovo, Gostivar, Debar, Struga, and Brod.

In Tetovo the census was completed in only about 30 of 425 polling stations. The majority of people who did not take part in the census are ethnic Albanians, according to official assessments. A decision is expected today from the State Census Commission about yet another extension of the census in those municipalities where it has not yet been completed.

The commission says that this second extension would be in keeping with the law which allows for the census to be extended wherever irregularities are noticed.

Gligorov Discusses Career, Ethnic Identity

94BA0335A Ljubljana DELO in Slovene 18 Jun 94 p 2

[Interview by Lenca Cackov and Janez Korosec with FYROM President Kiro Gligorov; place and date not given: "Above All, We Want Peace"]

[Excerpt] *Kiro Gligorov is a well-known politician and businessman from the former federation. In his career, he has experienced difficult political rises and falls. Today, at the age of 77, he is president of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], one of the youngest states in the world.*

[DELO] Mr. President, before our interview we did a little survey among taxi drivers, waiters, reporters, and businessmen about what they think of you. They all respect you. Why?

[Gligorov] You are embarrassing me. It is true that I have always listened to people and only then made a decision. I also wonder, however, whether I am paying enough attention to that principle today, because of my excessive workload.

[DELO] They say that even as a student, you were among those influencing Macedonian politics.

[Gligorov] I am proud that even as a secondary school student in Stip, I was aware of my Macedonian origin, and worked at Belgrade University as secretary of the Vardar student society. The Macedonian people were not recognized in the Kingdom of Yugoslavia; we were obviously only southern Serbs. Schools were only in the Serbian language, and we did not have our own books and textbooks. We could only talk secretly among family

and friends about everything that belonged to our homeland. That is why I joined NOG [National Liberation Movement] as early as 1941, and strove above all for the establishment of the institutions of the future sovereign Macedonian state. Many people did not agree with my views, even though I was a member of AVNOJ [Antifascist Council for the National Liberation of Yugoslavia]. They excluded me from the circles that were to make a decision on that; they sent me to Vis and soon after the liberation to Belgrade, where I had to make a serious effort to prove myself, and then became Yugoslav finance minister.

[DELO] A certain prominent Western journal said then that you were one of "the wisest economic heads in the former Yugoslavia," since for many years you had already been demanding a market economy, and split with President Tito, "who does not want to face the truths of economics."

[Gligorov] I learned a great deal, admittedly as a lawyer, at home and abroad—above all that people's creativity cannot be guided through the methods of a socialist state administration. At the end of the 1950's I was already warning that we were not respecting economic laws, and at the beginning of the 1960's I headed the working group that drafted the first economic reform project in the socialist countries, even before the Prague Spring and the Hungarian reform. The dinar was stabilized a bit, we started to restructure the economy, and we even opened up possibilities for privatization. That reform launched disputes within the state, however, among the republics, and primarily within the party. We could not withstand the pressures, and we returned to the principles of social property, which was a big mistake. We were the laboratory of an idea that was ideally conceived, but not feasible. A sort of smokescreen for people. [passage omitted]

Albanian Minister Visits, Signs Agreements

AU1107152994 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 11 Jul 94

[Excerpts] Albanian Foreign Minister Alfred Serreqi arrived for a two-day official visit to Slovenia today. With Slovene Foreign Minister Lojze Peterle, he has already signed a protocol on the cooperation of the foreign ministries and an agreement abolishing visas for diplomatic personnel and officials. The Albanian foreign minister was received by President of the Republic Milan Kucan and Prime Minister Janez Drnovsek. Both foreign ministers also held a brief news conference. Tomaz Gerden reports:

[Begin recording] The countries are preparing further agreements. Both ministers assessed the bilateral political relations to be very good. [passage omitted]

Both ministers also share very similar views about the Balkan crisis. Regarding Kosovo, Minister Serreqi believes that, to begin with it, should at least gain the rights it used to enjoy as an autonomous province in the past. Afterward, free elections should be held there under international supervision.

The Albanian-Slovene relations are, therefore, developing well, except for economic cooperation, which needs an additional impetus and which is very modest, the trade amounting to only a few million dollars a year.

Minister Serreqi will meet with the mayor of Ljubljana this afternoon and will end his visit to our country with tomorrow's trip to Bled. [end recording]

Possible Coalition of Parties for Local Elections

94BA0335B Trieste REPUBLIKA in Slovene 18 Jun 94 p 2

[Unattributed STA article: "Jansa's Democrats and the SLS Are To Act Jointly With the SKD and the ZS"]

[Text] Ljubljana—President of the SDSS [Social Democratic Party of Slovenia] Janez Jansa, at a party news conference, presented agreements on forming a coalition of democratic parties for joint action in the local elections. The SDSS and SLS [Slovene People's Party] are planning to act jointly with the SKD [Slovene Christian Democrats] and the ZS [United List] in the mayoral and municipal council elections, and are not opposing the inclusion of other parties as well.

The SKD has already announced that President Peterle, together with the party's secretariat, will visit all 17 regional SKD committees and ascertain their willingness to cooperate with the SDSS and ZL. On the basis of an analysis of those talks, the SKD president will discuss joint action in the local elections. Jansa said that in the event of an agreement on joint action, it is important above all that the parties act in unison. Competition and a loss of votes, in fact, would only benefit the opponent.

Janez Jansa and Franc Zagozen, president of the Social Democratic Economic Forum, sent Prime Minister Drnovsek a letter in which they call upon him to take steps on "the political of monopolistic interest rates" conducted by Slovene banks. They point out that interest rates abroad are only 8 percent. Annual interest rates above 12 percent in normal market conditions are considered usurious, they warned. They also said at the press conference that the executive committee of the SDSS's KSS [Club of Senior Citizens] met yesterday and set its goals for the future. It will strive for a rapid transition from an intergenerational system to a insurance system of old age and disability insurance, the identification and return of the real estate owned by the SPIZ [expansion not given], the abolition of "special pensions," and the regulation of family pensions. The KSS's executive committee informed State Assembly deputy Irena Oman about its decisions, and decided to support Irena Virant in her candidacy for guardian of human rights. Regarding the purchase of helicopters for the Defense Ministry, Janez Jansa said that the Ministry had regulations on financial and material transactions, which provided for seeking several bidders before every purchase. "To the best of my knowledge, those regulations were also not changed after the arrival of the new minister, Jelko Kacin," Jansa said. He also explained that the technical group that decided on the purchase did not have the right to choose the final bidder itself.

Federal

Defense Council Discusses Financing of Army

LD1107185794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1659 GMT 11 Jul 94

[Text] Belgrade, 11 Jul (TANJUG)—A session of the Supreme Defense Council was held in Belgrade today, chaired by Zoran Lilic, president of the Federal Republic of Yugoslavia [FRY].

The session was attended by Slobodan Milosevic, president of Serbia; Momir Bulatovic, president of Montenegro; Radoje Kontic, Yugoslav prime minister; Pavle Bulatovic, Yugoslav defense minister; and Colonel General Momcilo Perisic, chief of staff of the Yugoslav Army, a statement by the FRY president's military office says.

The Supreme Defence Council discussed the question of financing the Yugoslav Army. It concluded that the army had in the first six months of the year—through measures of rationalization and savings—demonstrated its support for the program of reconstruction of the monetary system and economic recovery of the country. To maintain the required level of combat readiness and standards in the army, it will be necessary to secure stable financing of the Yugoslav Army in the second half of this year from the allocated federal budget and from real sources.

Other questions within the competence of the Supreme Defense Council were also discussed at the session and appropriate decisions relevant to the functioning of the FRY Army and defense were passed, the statement says.

Offical: Contact Group Plan Should Be Accepted

LD1107152794 Belgrade TANJUG in English 1426 GMT 11 Jul 94

[Text] Belgrade, July 11 (TANJUG) - Yugoslavia sees to it that the 'Contact Group' plan on Bosnia should not be turned down, a senior federal parliament official said on Monday.

At a meeting with a Belgian parliamentary delegation, Borisav Jovic, president of the foreign policy committee of the parliament's chamber of citizens, described the plan as a possible basis for resolving the conflict in the former Yugoslav republic, but said that a modification of the plan should be discussed.

The Belgian multi-party delegation, headed by MP Jeff Ulburghs, is on a several-day visit to the Federal Republic of Yugoslavia.

Bosnian serbs are not satisfied with the quality of the offered territory, because the proposed plan gives the Moslem-Croat side all major towns, important communications, and natural and power resources, Jovic said.

The 'Contact Group' plan does not provide clearly for the state organization of the former Yugoslav republic, he said, since it envisages the integrity of Bosnia-Herzegovina, but does not clarify relations between the Serb republic and the Moslem-Croat federation.

The Serb republic, the state of Bosnian Serbs, was proclaimed in April 1992.

The Moslem-Croat federation was created last March, following the ten-month-old Croat-Moslem fighting over territories, especially strong in central Bosnia and in the Mostar region in Herzegovina.

Jovic said one of the reasons why Yugoslavia was extremely concerned about peace to be established in Bosnia-Herzegovina was that the end of hostilities would also mean the lifting of the international community's sanctions against Yugoslavia, which have cut the national income down by 50 billion dollars over the past two years.

In May 1992, the U.N. Security Council introduced economic sanctions against Yugoslavia for its alleged involvement in the civil war in Bosnia-Herzegovina.

The Belgian delegation also showed interest in the situation in the Serbian southern province of Kosovo, where a strong separatist movement of the Albanian national minority has been very active. The delegation said they did not want to take any political stands but only gain information.

Jovic said the Kosovo problem was that the ethnic Albanian separatist organizations wanted to cleanse the province from Serbs and Montenegrins, and then secede Kosovo from Yugoslavia.

'We do not allow secession,' Jovic said and added that neither civil nor national minority rights of ethnic Albanians were jeopardized.

The head of the Belgian parliamentary delegation agreed with Jovic's stand and asked whether there were any informal negotiations between the authorities and the ethnic Albanian side.

Jovic said there were no such talks and underlined that ethnic Albanians in Kosovo had been offered to participate in the work of the authorities, but that they had refused the offer.

If Europe wishes good to ethnic Albanians, it should suggest them to include themselves in the work of the authorities. Separatist organizations practically prevent people from using their own rights, said Jovic.

Gold Dinar To Be Issued as Inflation Safeguard

LD1107125394 Belgrade TANJUG in English 1222 GMT 11 Jul 94

[Text] Belgrade, July 11 (TANJUG)—The Yugoslav Central Bank will issue several hundred thousand gold coins of different value, beginning mid-July. Central Bank Governor Dragoslav Avramovic recently said the monetary base would be extended to include gold, apart

from foreign currency and commodities. Avramovic is the author of the current Yugoslav economic stabilization programme.

Experts say the inclusion of gold into the monetary base will further strengthen the national currency, the new dinar. The gold dinar will serve both as money and coverage for the bank notes exchangeable for gold, the so-called paper gold. The state purchases of produce will this year be paid for in gold dinars to prevent resort to the issue of new money. State purchases of wheat in July and August 1993 effected [as received] hyperinflation, whose annual rate exceeded 116 trillion percent in the conditions of the international economic sanctions. Gold is used in the world only as part of the state monetary reserves.

In some countries, gold is used to define the nominal value of the currency, but none of these currencies can be exchanged for the respective amount of gold. However, gold's original 'capability' to serve as money has never ceased. The monetary potential makes gold the top commodity and money par excellence, Avramovic has said. Although the price of gold was for decades artificially kept at 35 dollars per ounce, it has steadily been rising since the 'divorce' from the dollar.

The price of gold now ranges around 385 dollars per troy ounce.

Yugoslavia can annually produce around three tonnes of gold, but it cut down the production to two tonnes after the U.N. Security Council sanctions were introduced on May 30, 1992. Under the stabilization programme, inaugurated on January 24 this year, the dinar made worthless by hyperinflation was replaced with the new dinar, which is on a par with the German mark.

Disagreement Between Belgrade, Pale TV Viewed

AU1207064094 Belgrade BORBA in Serbo-Croatian 8 Jul 94 p 22

[Unattributed report: "Why has 'Dnevnik sa Pala' [Pale News Program] Been Eliminated From Serbian Radio-Television?"]

[Excerpts] Belgrade (BETA)—Risto Djogo, editor in chief of television programming at Serbian Radio-Television (SRT), expressed his astonishment yesterday [7 July] at the fact that the Radio-Television of Serbia (RTS) had not been broadcasting "Dnevnik 7 dana" program [news program from Pale] for the last two weeks. The program had been produced by the SRT for television audiences in Serbia.

The SRT asked the manager of Belgrade Television for an explanation as to why the news program from Pale had not been transmitted, and the official answer was that it would not be broadcast throughout July because there was not enough room in the RTS lineup because of the Soccer World Championship. This is what BETA reporters were told by the SRT editor in chief in a telephone conversation. [passage omitted]

The official RTS explanation does not satisfy the SRT editors. Djogo reminded that the soccer championship would be over on 17 July, and that the news program would not be broadcast by the end of the month. [passage omitted]

Television leaders from Pale wrote a letter to their colleagues in Belgrade stating that they were sorry that they had to communicate in that way, adding that they were forced to do so "since editors and managers were always in meetings," and it had been impossible to establish a telephone contact.

Television "artisans" from Pale are especially angry with their Belgrade colleagues because they did not find it necessary to inform them that their news program had been eliminated from the lineup, although it was still announced in daily television program reviews.

"Since this news program is the only program the RST has been taking from us, we assume that you are practically and finally giving up cooperation with Serbian Television," it was stated in the letter to the RST.

The RTS was at the same time warned that SRT editors would do the "same thing" with RTS programs and that "nobody could blame them for it" since it was not they who wanted a disagreement with the RTS. [passage omitted]

Protest to Turkey over News Agency's Activities

LD1107161694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1516 GMT 11 Jul 94

[Text] Belgrade, 11 Jul (TANJUG)—The Yugoslav Ministry of Foreign affairs today lodged a sharp protest wih the Turkish charge d'affaires over allowing the presence and continued anti-Yugoslav activities in Turkey by the so-called News Agency of the Sandzak Vilayet.

Deep concern was voiced over the fact that Turkey has allowed the agency to work despite numerous warnings by the Yugoslav side saying that this could seriously damage relations between the two countries. The Ministry of Foreign Affairs stressed yet again that the news agency has not been registered in our country and its aims contravene the constitution of the Federal Republic of Yugoslavia, as a soverign state, and pose a threat to its territorial integrity.

Reasons which lead Turkey to give hospitality to an illegal organization were described as unacceptable. Support lent to its anti-Yugoslav activities is a form of serious interference into Yugoslav internal affairs and can have far-reaching negative consequences for Yugoslav-Turkish relations, for which the Turkish government is fully responsible, the statement says.

It was requested that the Turkish Government examine its attitude on this issue and take the necessary measures

to prevent further activities of the so-called News Agency of the Sandzak Vilayet. This would facilitate the normalization of relations and dialogue between the two countries, which Yugoslavia wholeheartedly supports.

Serbia

Milosevic Meets With Owen, Stoltenberg

LD1107143994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1334 GMT 11 Jul 94

[Text] Belgrade, 11 Jul (TANJUG)—Serbian President Slobodan Milosevic received the co-chairmen of the Geneva Peace Conference on Former Yugoslavia, Thorvald Stoltenbrg and Lord Owen, today. They discussed further steps concerning the peace process.

The [Serbian] president's office announced that the best thing to do at present is to eliminate the possibilities of armed conflicts flaring up again, which will happen if there is insistence on vague and postponed solutions. Likewise, it is necessary to take great care to avoid solutions which are to the detriment of one side only. Such solutions could spark off fresh conflicts and prevent a stable and lasting peace.

At this stage of the peace process all the warring sides should play a constructive role, which implies that they should honor the truce paving the way to a successful outcome of the peace process, they said. Given that in this respect the Serb side has already supported the initiative of extending the agreement on cessation of all hostilities on former Bosnia-Herzegovina territory, the international community has special responsibility for ensuring that the other side [the Croats and Muslims] did the same, the statement reads.

The Republic of Serbia will, according to President Milosevic, continue its efforts to ensure that progress can be made in the peace process departing from its stand that peace was the most important thing to be achieved and that the international community should take this into account and lift economic sanctions against our country. [sentence as received]

SDA's Ljajic Views Sandzak Issue

AU1207083294 Belgrade BORBA in Serbo-Croatian 4 Jul 94 pp 13,14

[Interview with Rasim Ljajic, secretary general of the Party of Democratic Action for Sandzak, by Dragan Banjac; place and date not given: "Bosnia Is Our Mother Country"]

[Excerpts]*Dr. Rasim Ljajic (1964), secretary general of the Party of Democratic Action [SDA] can probably be placed among those domestic politicians who have taken up this difficult job at an unfortunate moment. When he spoke about this recently when giving this interview to BORBA, this one-time top student of his generation at Novi Pazar High School and successful athlete in all sports (a "Sarajevo student" in college), admits that like many of his colleagues, he could not fight the "illusion that he had to do something."* [passage omitted]

[Ljajic] The regime has led the party to a kind of temporary paralysis, since quite a few people have been arrested. Others left the country under the threat that they would be arrested, and it is now clear that the authorities are striving to destroy any form of this people's political articulation. I believe that this has not damaged our political legitimacy, and we are ready to put this political legitimacy to the test. Moreover, I believe that we have the support of the majority of the Muslim electoral body.

[Banjac] Has the party been banned?

[Ljajic] The republican public prosecutor has initiated measures to ban the party. However, there are no valid reasons for banning the SDA and I believe that the authorities have realized the senselessness of this, including insinuations of alleged terrorist intentions. The aim is to strengthen these charges, because although we have not been banned, our room to maneuver has been severely limited. Moreover, we are in a situation where we constantly figure as the "denial club", constantly rejecting contrived blame, because the ruling party—through its media—is always "pinning the blame on us." Furthermore, on the route from Novi Pazar to Rozaj alone there are three police checkpoints with strict and detailed control—where you are going, what are you carrying—pockets are regularly turned out during searches. [passage omitted]

[Banjac] You, nevertheless, wanted a somewhat different Sandzak?

[Ljajic] After the party was founded, and while Yugoslavia was still in existence, we requested cultural autonomy, believing that every people in a non-mother republic had the same rights. This request was greeted at "knife-point", a high degree of indignation, and was accompanied by accusations of separatism; the worst thing is that it was never seriously discussed. Other moments appeared with the disintegration of Yugoslavia. We are resolutely against any changes of the internal or external borders because this would be a catastrophe. Hence our request for autonomy, but within existing borders. We are perfectly aware that a Sandzak Muslim request for a Sandzak state or annexation to Bosnia would mean diving into an empty pool so to speak, and as political realists we know that regardless of all its irregularities and illogical occurrences, we must establish our status within the newly-formed state entity (FRY). The latest request for special status has been submitted to the republican and federal assemblies, and it is actually a request for the initiation of political negotiations, the only way of solving all controversial issues. All this has been on hold since June last year. Belgrade is silent. [passage omitted]

[Banjac] How do you see your president's request (news conference in Sarajevo Holiday Inn from 2 April 1994) that Sandzak be annexed to Bosnia-Herzegovina?

[Ljajic] At the present moment, a request for the annexation of Sandzak to Bosnia represents that dive into an empty pool of which I have already spoken. Bosnia is our mother country, 81 percent of all Muslims in former Yugoslavia live in Bosnia-Herzegovina, which is far more than the percentage of Serbs and Croats in Serbia and Croatia.

Of the total number, there are 76 percent of Serbs in Serbia, and 78 percent of Croats in Croatia. On the other hand, Bosnia must show an interest in the situation of Bosniaks outside of Bosnia-Herzegovina, which can in no sense be a synonym for territorial pretensions toward the territory of other republics, that is, states. We want cultural, spiritual, and ethnic ties with our mother country in Bosnia, without calling into question the territorial integrity of the country in which we currently live. It is an illusion to claim that someone who does not have an army, a police force, and authority can endanger someone who has all these things. It is precisely Bosnia that is being hurt by requests for some kind of annexation, because this would increase the centrifugal forces that are striving to partition Bosnia. Our foremost interest is to maintain its integrity in the present, internationally recognized borders, with, of course, an internal organization that will not disadvantage any of the peoples living in it.

[Banjac] Who is a Bosniak in your opinion, and how do you view the latest proposal of the so-called Rakitic group [Serbian Renewal Movement dissidents who have proposed a law allowing Muslims in Serbia to declare themselves Muslim Serbs]?

[Ljajic] As far as we are concerned the issue of the Muslim declaration of nationality was settled long ago, and what Rakitic is proposing represents a dirty political provocation to which we see no need to reply. A declaration can neither give nor take away the right to declare oneself part of a specific national group, that is, of a nation. The Muslims will be what they are in accordance with their feeling of belonging, which, after all, was directly demonstrated in the census. Bosniaks? This has put right a historical injustice committed against the Muslim people. The term Muslim was a communist deception toward this ethnic group. The term Bosniak has been in existence throughout history. The term Bosniak does not prejudge the solution of either the political or legal status of Muslims in Sandzak.

[Banjac] Is the SDA in the midst of an ideological and cadre transformation?

[Ljajic] As far as I am concerned, I will strive to be more of a doctor than a politician. The party cadre needs refreshing. We need new ideas and creative people. Personally, I will strive more from the sidelines to help this, so to speak, transformation of a large-scale political movement into a modern political party. These are different times than those in 1990, but that in no way means that we are giving up on the basic program and political goals of the movement. We are primarily ready to contribute to the democratization of society and the current political system to the extent that we can. However, the problem is that the current authorities are not showing a minimum of goodwill to discuss the problem of Sandzak. The removal of Bogoljub Pejcic is a vivid example. He was removed when he tried to place on the agenda of the Commission [not further specified] a report by the Fund for Humanitarian Rights on political repression in Sandzak. In this way, the authorities are demonstrating their reluctance to discuss dodgy issues, yet when we try to present this to the domestic and particularly the international public, we are accused of "unnecessarily internationalizing the Sandzak problem." Yet the authorities themselves are internationalizing it by rejecting any discussion on the subject. Without any reason, naturally. And we, of course, when faced with a choice between Geneva and Margit Savovic, will most certainly opt for Geneva.

[Banjac] Where does the solution lie?

[Ljajic] To put it simply, we cannot turn a blind eye to the elementary fact that human rights are being violated here, and we cannot voluntarily give up our rights, particularly since they do not disadvantage any other people. I believe that there is light at the end of the tunnel, regardless of its length. Moreover, we have never viewed the Serbian people through the prism of current Serbian policy. I also believe that democratic forces will multiply. Among them I include the political representatives of the Sandzak Muslims, which, again, is a basic condition for transcending this unheard-of ghetto in which this regime has placed us. Of course, I still do not doubt the possibility of coexistence. I also do not doubt the country and the people, but the authorities are neither the people nor the state. The authorities should change whenever it turns out that they are devious, and these have shown that they are more than that.

Kosovo

Common Business Interests of Serbs, Albanians

94BA0325B Maribor VECER in Slovene 7 Jun 94 p 13

[Article by Zarko Rajkovic: "Fraternity and Unity to the Last Mark"]

[Text] *If the Serbs and Albanians in other regions cooperated this well in smuggling and crime, Kosovo would be a model of the fulfillment of Tito's dreams of fraternity and unity; the Serbs are emigrating again, but under pressure from Serbs; there is no border with Albania.*

You would almost not believe how rich poor Kosovo is. Wherever you turn in fertile Metohija, there are green fields of wheat, and from them, as if they had fallen from the sky, rise up the facilities of Kosovo thermoelectric

plants, irrigation dams, and all sorts of industrial facilities, which are either closed or are operating at 10 percent of capacity. Except in remote mountain villages, people are living well in Kosovo. How well? As my old acquaintance Remzi would comment—they have never lived better!

Never Better?

It seems unlikely, but that is the case. House after house is lined up along the well-maintained Kosovo roads. Those that are surrounded by walls are the Albanians' houses. Satellite antennas stretch from the roofs like white Albanian caps. There are more houses that have those antennas than ones without them. There are almost no uncultivated fields. It is not possible to live well from the land in Kosovo, however. Both Albanians and Serbs, young and old, would rather undertake much more profitable business—now smuggling and trade. Every day in Kosovo there is a turnover of several hundred million German marks [DM] through illegal channels. Kosovo has turned into a crossroads of merchants, who move among Istanbul, Thessaloniki, Skopje, Tirane, Sofia, and so forth. Essentially there is no commodity that could not be bought in Pristina. If it did happen that a buyer did not find something, for instance Slovene medicines or spare parts for home appliances and screws for a certain machine that were previously produced in Croatia or Bosnia, there is no cause for concern: One only has to order the goods, and they will be available in a few days.

Embargo? What's That?

Everything indicates that no one in Kosovo has heard yet about the embargo, i.e., the UN sanctions against the Federal Republic of Yugoslavia [FRY] (Serbia and Montenegro). If they ever heard about it, they forgot it long ago. How could they help forgetting it, when all of Kosovo has turned into an enormous flea market, in which one can buy and sell anything. Retail goods, clothing, footwear, cigarettes, and tropical fruits are sold not only in the marketplace, but also along the streets. Early in the morning, children barely 10 years old deploy themselves along the main streets, and sell everything possible from improvised stands.

There was an enormous crowd in front of the customs house. My companion Remzi, a colleague from my college days, said that it was like that every day. Most of the trucks come from Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and Bulgaria. And what do they bring in and take out? Remzi smiled and answered, "Everything possible!" From Macedonia and Bulgaria, they bring artificial fertilizers, cement, Coca-Cola, fruit juices and tropical fruits, technical goods, clothing with counterfeit trademarks of the leading world producers, cigarettes from all over the world, coffee, tea (people in Kosovo drink a lot of it), candy.... Not many goods from Kosovo go to foreign markets; the foreign trucks go back with agricultural products, fireproof mortar, paper bags, or goods previously bought somewhere in Serbia or Montenegro.

"All of this is small change, even though individuals may get rich overnight with that kind of commerce. The real business is done by people in the shadows, old wealthy families, former and present politicians and directors, all together: Albanians, Serbs, and Montenegrins. They all cooperate closely, and everyone in Kosovo charges a commission. Anyone who is in any kind of office charges a lot for any service. People know the precise prices: If you need a housing permit to wall off a house where building a wall is not permitted, you can get it immediately; it will just cost you from DM2,000-5,000. If you need some sort of document to import suitable goods with the notation that it will be used for humanitarian purposes, you will not have any trouble as long as you are prepared to spend several thousand marks. You can even buy a certificate or diploma in Kosovo—whatever kind you want. You only have to pay DM500, and in an hour you get a document that you are a trained auto mechanic or machinist, or anything else. College diplomas are more expensive, but they will also provide you with those. Furthermore, it is not important that you have not even mastered the corresponding profession. That is approximately how things are in Kosovo," Remzi thought.

Miodrag Brkljac, public prosecutor in Pristina, does not like to talk to foreign reporters, but in spite of that he revealed to us that the big deals in Kosovo are only done in connection with oil, drugs, and weapons. Almost every week, the police cut off some drug and arms smuggling connection. These arrests involve the little fish, however. The organizers of this trafficking are in the background, of course, and are hard to get to. A gram of pure heroin costs DM100-200 in Kosovo, and even more in the West. It is hard to say how many weapons were seized last year. It is an organized and well-established undertaking. The prosecutor said that not even a fifth of those goods are brought through customs at highway border crossings. The border with Albania is porous in several places, namely in inaccessible areas that cannot be sufficiently controlled. The border is crossed there by various smugglers with all sorts of goods. The situation is not much better on the border with Macedonia either, however.

Remzi explained it all to me much more simply. The Kosovo, Macedonian, and Albanian customs officers have become rich overnight. DM1,000 is enough to them to close one eye; of course, it is necessary to pay more for them to close both eyes and wait for you, by agreement, so that you can clear the goods through customs with them. What about UN inspection at the Kosovo-Macedonian border? That was probably the stupidest question that I asked my companion. "Well, do you think that the Americans don't like dollars, too? You also pay an appropriate portion to them, and the deal is done."

The War Will Be Some Other Time, if It Even Happens

After the war in Bosnia, will one break out in Kosovo as well? That is an improper question to both Serbs and Albanians. In response to this question they usually shrug their shoulders, become confused, and stuttering, answer that there probably will not be one. The Albanians and Serbs in Kosovo are also living separately. There are still two separate worlds, as if there were two states in one. Albanians walk on one side of the street, and Serbs on their own side; Serbian children attend the official schools and Albanian children attend Ibrahim Rugova's illegal ones; Serbs go to the official doctors, and Albanian doctors treat their own people at home; the Serbs have an official daily newspaper, and the Albanians have several illegal ones, which are legally sold.... It is apparent that those two worlds would not touch unless their interests clashed, but then (because of the incredible amount of money involved) nationalistic passions do not flare up. Both sides assert: "If not for them, we would live better." Nevertheless, all those who are the first to come forward to defend national interests are living well, and even too well. Those who are barely surviving do not have the time for high politics.

Many new elements have appeared on the Kosovo political scene. Until now only two policies existed in that province: the Albanian and Serbian ones. It is different now. There has even been a split within Ibrahim Rugova's party; it was already left a long time ago by moderates like Shelzen Maliqi and Veton Surroi, for instance. Not even the best-known Albanian dissident, Adem Demaqi, agrees any longer with Rugova's relentless position that there cannot be any dialogue with the Serbs and that the Albanians' only goal is an autonomous Republic of Kosovo. In the journal SERI, the prominent moderate Blerim Shalla published an analysis of the possible military outcome in Kosovo. He stated that the Albanians in Kosovo would not fare well in that kind of war. Albania could not help them much militarily, even if it dared to interfere in the conflict. To be sure, official Tirane has repeated several times the world powers' position that the issue of Kosovo should be resolved within the framework of Serbia and the FRY. The dreams of a Greater Albania vanished when Tirane recognized Skopje and Macedonia as a sovereign state. Actually, almost all of western Macedonia was supposed to belong to Greater Albania, according to the concept of its authors. British Foreign Secretary Douglas Hogg also recently confirmed that Kosovo can hardly be envisioned as an autonomous unit. Even Maliqi was surprised by his frankness. The multiparty system is spreading more and more among the previously united Albanians.

The same is true among the opposing camp, the Serbs. There is no longer any sign of the formerly famous six Kosovo veterans who undertook to use rallies to conquer what was then Yugoslavia. They are all quarreling, not talking to each other, and arguing over who deserves the credit for what. They have joined different parties, and some of them, for instance Miroslav Solevic, already left Kosovo a long time ago.

In the Hercegovina Cafe in Kosovo Polje, where I used to meet sometimes with Serbian leaders, there were many guests. These were the businessmen themselves. They pay their neighbors for business lunches with transfers. They really eat well there, and too much. For an appetizer, they eat baked potatoes with fresh cheese and cream, then comes smoked ham, and then a real abundance from the roasting-spit. I have never seen such big portions anywhere. The wine was a good domestic one. The whole lunch cost somewhat less than DM 10 per person.

Serbs Against Serbs

What would the Belgrade politicians say, if they had not stopped the ethnic cleansing of Serbs from Kosovo? That question, which Belgrade has been bringing up over and over again like a parrot for decades, does not, however, contain a single word about who is forcing Serbs to emigrate now. The Albanians joke that there are so many policemen in Kosovo that they could assign two guards a day to every Serbian house. Strangely enough, I did not encounter as many policemen on the streets and roads as I did a year ago. They were probably in cooler and better hidden locations, in view of the heat.

The Serbs in the village of Milosevo, which is a sort of suburb of Pristina, have put up "House for sale" signs again. There are about 10 such offers in Milosevo now. I asked one of the sellers, Bogdan Ristic, why he was selling his house, who he was fleeing from, and what had suddenly happened to cause him to decide to leave. Ristic replied that the state took away his land back in 1963. Now a law has been passed that the land is to be returned to the legal owners. The state does not want to give it back to them, however. Until that happens, their land is being cultivated by Albanians. "And who is responsible, the Albanians or the state headed by Serbs?" Ristic replied that in his opinion they were all responsible. "Why would the Albanians be responsible?" My interlocutor thought that the Albanians were responsible because they had established ties with corrupt Serbian politicians. He himself could not even step onto his former farm. "And what did his Albanian neighbors say about that?" That he should sue the state. "And will he?" No. If they did not give back his farm, he would sell his house and move to Serbia, where he would be able to live for 300 years on the proceeds, naturally if he only could.

"And what about that slogan that the Serbs will remain and defend their homes of several centuries? Isn't that also his patriotic duty?" In response to these words Ristic only asked me whether I was teasing him.

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